

Beginning FACTS FOR CONSUMERS by Ruth Brindze

The Nation

Vol. CXLI, No. 3670

Founded 1865

Wednesday, November 6, 1935

Is the Endowment Policy a Good Investment?

Murry Levine

Our Literary Critics

Margaret Marshall and Mary McCarthy

The Catholic War on Hitler

Emil Lengyel

Paradoxes of American Recovery

Maxwell S. Stewart

Fifteen Cents a Copy

Five Dollars a Year

SAFEGUARD PRODUCTIVE CAPITAL

That the only feasible method of handling the problems of over-taxation and under-employment is the transfer of taxes from productive capital to ground values, urban and rural, is the main point of this book. It is non-Georgian and makes no utopian claims. It views communism and socialism as impracticable in America, and the New Deal as only a stop-gap.

Minneapolis Tribune: "A sensible suggestion at a time when big business and small business as well is crying for relief from heavy taxation. . . . Seems to fit the picture of what industry needs today."

N. Y. Investment News: "Non-technical and should interest anyone who is concerned with reducing taxes on industry."

A new approach to the business problem, by **LOUIS WALLIS**, author of "The Struggle for Justice" and other volumes dealing with economic forces in world history. 75¢

Published by DOUBLEDAY, DORAN, Garden City, N. Y.

The SOVIET UNION AND WORLD-PROBLEMS

With war clouds deepening, the world is asking—What is the attitude of the Bolsheviks' Soviet regime toward war? This new book contains important studies of the Soviet foreign policy, foreign trade policy, and nationality policy—by **ALEXANDER A. TROYANOVSKY**, Ambassador of the U. S. S. R. at Washington; **IVAN V. BOYEFF**, **VLADIMIR ROMM**, **HANS KOHN**, **MALBONE W. GRAHAM**. Edited by Samuel N. Harper. Just published—\$2.50

THE TURKISH TRANSFORMATION

What has happened in all the days that have followed since the forty days of Musa Dag? **HENRY E. ALLEN**'s keen interpretation of the amazing modernization of this Moslem country is published on the 12th anniversary of the Turkish Republic. \$2.50.

The University of Chicago Press

☐ PLAYS ☐ FILM ☐ LECTURES ☐

THE THEATRE GUILD Presents
(in association with John C. Willson)

The Taming of the Shrew

with **ALFRED LUNT AND LYNN FONTANNE**
GUILD THEATRE, 52nd Street, West of Broadway
Evs. 8:40. Matinees Thursday & Saturday, 2:40

THE THEATRE GUILD Presents
GEORGE GERSHWIN'S

PORGY and BESS

Book by **DU BOSE HEYWARD**
Lyrics by **DU BOSE HEYWARD** and **IRA GERSHWIN**
Directed by **ROUBEN MAMOULIAN**

Orchestra conducted by **ALEXANDER SMALLENS**
ALVIN THEATRE, 52nd Street, West of Broadway
Evs. 8:30. Matinees Thursday & Saturday, 2:30

Opens Wed., Nov. 6—Seats Now on Sale
"LET FREEDOM RING"

BROADHURST Thea., 44th St. | SEATS 4 WEEKS
W. of B'way | IN ADVANCE

3RD TRIUMPHANT WEEK

LA MATERNELLE

"A Masterpiece . . . should win the world cinema prize."
Gerald Breitigam, World-Telegram.

Dialogue Titles in English
55th Street Playhouse - - - 154 West 55th St.

"CAN WE STAY OUT OF THE NEXT WAR?"

A SYMPOSIUM

General **Smedley Butler**, **Earl Browder**,
Heywood Broun, **Dr. Harry Elmer Barnes**
Loren Miller, Chairman

November 11th, 8:30 P. M.

MECCA TEMPLE, 133 West 55th Street

RESERVED TICKETS AT 35c, 55c, 83c, \$1.10 and \$1.65 (including tax) are now on sale at: New Masses, 31 East 27th Street (Orders filled by mail and telephone—CAledonia 5-3076); Workers' Bookshop, 50 East 13th Street; Rand Bookstore, 7 East 15th Street; Columbia University Bookstore, 2960 Broadway.

AUSPICES: NEW MASSES FORUM

Gaetano Salvemini will deliver six lectures on
ITALIAN FASCISM: ITS NATURE AND MEANING
Thursdays at 8:30 p.m. Nov. 7 to Dec. 19

Adele T. Katz will deliver eight lectures on
SYMPHONIES AND THEIR INTERPRETATION
(Discussion of symphonies being performed this season)
Tuesdays at 8:30 p.m. Nov. 12 to Jan. 14

Single Admission 50c. Course fees \$2.50
RAND SCHOOL OF SOCIAL SCIENCE
7 E. 15 St. AL 4-8094

☐ BOOK ☐

The SEX TECHNIQUE

By **I. E. Hutton, M. D.** IN MARRIAGE

"Dr. Ira Wile describes the book as a clear, succinct, non-emotional, authoritative and conservative exposition of the practical factors involved in making marriage successful on the sexual level. . . . It is primarily concerned with the conduct of the honeymoon and with the technique of sexual performance."—**Dr. Morris Fishbein**. Price \$2.00 (postage 15c extra)
EMERSON BOOKS, INC., 333 SIXTH AVENUE, NEW YORK CITY

The Nation

FOUNDED 1865

Vol. CXLI

NEW YORK, WEDNESDAY, NOVEMBER 6, 1935

No. 3670

Contents

EDITORIAL PARAGRAPHS	521
EDITORIALS:	
We Must Enforce the Kellogg Pact	524
Britain Holds Its Ground	525
Miracles	526
Buyers, Beware!	526
ISSUES AND MEN. MR. LAMONT DEFENDS THE MORGANS.	
By Oswald Garrison Villard	527
CARTOON. By Fritz	528
PARADOXES OF AMERICAN RECOVERY. By M. S. Stewart	529
IS THE ENDOWMENT POLICY A GOOD INVESTMENT? By	
Murry Levine	531
THE CATHOLIC WAR ON HITLER. By Emil Lengyel	532
FINANCE: FOR WIDOWS AND ORPHANS. By Isidor Feinstein	534
CORRESPONDENCE	535
LABOR AND INDUSTRY:	
Fascism Enters New Mexico. By Katharine Gay	537
High Tide at Atlantic City. By Julius Hochman	539
Contributors to This Issue	540
Facts for Consumers. By Ruth Brindze	541
BOOKS, DRAMA, FILMS:	
Our Critics, Right or Wrong. II. The Anti-Intellectuals. By	
Mary McCarthy and Margaret Marshall	542
Lawrence of England. By Mark Van Doren	545
Mr. O'Hara's Talent. By Lionel Trilling	545
The Life of Dwight Morrow. By Paul Scott Mowrer	546
"The Key to Communism." By Sterling D. Spero	546
Drama: Run of the Mill. By Joseph Wood Krutch	547
Films: Nature and Artifice. By Mark Van Doren	548

BOARD OF EDITORS

FREDA KIRCHWEY JOSEPH WOOD KRUTCH
RAYMOND GRAM SWING

ASSOCIATE EDITORS

MARGARET MARSHALL MAXWELL S. STEWART
DOROTHY VAN DOREN

OSWALD GARRISON VILLARD

CONTRIBUTING EDITOR

SUBSCRIPTION RATES—DOMESTIC: One Year \$5; Two Years \$8;
Three Years \$11. CANADIAN: 50 cents a year additional. FOREIGN:
\$1 a year additional.

THREE WEEKS' NOTICE AND THE OLD ADDRESS AS WELL AS
THE NEW ARE REQUIRED FOR CHANGE OF SUBSCRIBER'S
ADDRESS.

THE NATION. Published weekly at 20 Vesey St., New York. Entered
as second class matter December 13, 1897, at the Post Office at New York,
N. Y., and under the Act of March 3, 1879. Copyright, 1935, by the
Nation, Inc.

Muriel C. Gray, Advertising Manager. Walter F. Grueninger, Circulation
Manager. Cable Address: Nation, New York.

MISS HELENE MAYER, the world's champion woman fencer, has consented to be a member of the German Olympics team next year. Brigadier General Sherrill's visit to Germany, therefore, was not without avail. General Sherrill is one of the three Americans on the International Olympics Committee; returning on the Normandie on October 21, he expressed himself on the question of non-participation by Americans in the Berlin Olympics. "What Germany does to the Jews in Germany," said the General, "is no more my business than what is done to Negroes in the South or to the Japanese in California. . . . I have been striving for two years to accomplish one thing. That is to see that at least one German Jew is on the German team." Having set himself such a modest goal, the General is perhaps to be congratulated on reaching it without too great a struggle. Miss Mayer is to be the German Jew who will establish the fact, to the satisfaction of the General, that there is no anti-Semitism in the Hitler Olympics, or if there is, that it is none of his business. Since we cannot quite attain to the General's attitude of Christian forbearance, we

feel that what the South does to Negroes and what Germany does to the Jews are both matters of concern to persons interested in, let us simply say, fair play. But we agree with the General on one point: it is not only what Germany does to the Jews which makes us believe that the United States should withdraw from the games next year if they are held in Berlin; it is the fact that the contest will not be an international sporting event but a manifestation of German National Socialism in which politics—Nazi politics—will be more important than sports. That should make American participation impossible.

THE UNEASINESS felt by Roosevelt's campaign managers over his waning popularity has been greatly relieved by the October poll taken by the American Institute of Public Opinion. The first of these polls, taken in February, 1934, gave the President 69 per cent of the combined Democratic and Republican votes. Then a decline set in, and from November, 1934, till September of this year the curve sagged steadily downward until the President, with a majority of only 50.3 per cent, appeared to be headed for defeat. But in October his stock rose to 53, an indication that if the election were held today, simply on the issue of Roosevelt, he would win by a narrow margin. Geographically the President has lost the New England states, where he polled 51 per cent in 1932; his percentage there in October was 38. In the mid-Atlantic states—New York, Pennsylvania, West Virginia, and Maryland—he also has lost a majority of 53 per cent and is now at 46. But in all other sections he runs ahead in the ballot, generally somewhat behind his figure in 1932, but actually ahead of it in the mountain states. The poll is instructive but it is not conclusive. Next year the choice will not be for or against Roosevelt but between Roosevelt and a Republican nominee. Roosevelt, measured against what he might have been, cuts a far poorer figure than he will present next year in contrast with the choice of the Republican Party. We hold to our opinion that the President is not sure to win the election but that the Republicans are sure to lose it.

IT IS IMPOSSIBLE to view the naval conference which is to open at London on December 2 with any degree of optimism. None of the difficulties which caused a breakdown in the preliminary conversations last November have been appreciably lessened in the past twelve months, while the recent friction between Italy and Britain, combined with French anxiety over German rearmament, appears to make genuine limitation almost out of the question. Japan, it is true, has proposed the abolition of capital ships, heavy cruisers, and aircraft carriers, the three classes of ships most useful to an aggressor nation. But these happen to be the only classes of ships in which Japan is inferior either to the United States or to the British Empire. Japan is adamant in insisting that political questions be kept out of the conference, even though the naval ratios established at Washington in 1922 were based on certain pledges regarding China and the Pacific mandates which have since been

broken. The Baldwin government is committed to a rearmament program which would add twenty cruisers to its existing fleet within the next few years; it is not likely, therefore, that a reduction in naval armament will even be seriously considered. The most that is hoped for is an arrangement stabilizing the relative strengths of the various fleets and imposing, if possible, an outside limit beyond which naval construction will not go in the next seven years. With Germany, Japan, and Italy determined to improve their relative status as naval powers, and Britain, France, and the United States equally determined to prevent this from occurring, and with a new world war looming ominously on the horizon, even these restricted aims seem unrealistic. The fact that the delegations of the various powers will be made up principally of naval "experts" is perhaps the clearest indication that governments themselves regard the conference as mere window dressing.

AFTER A BRIEF ALARM lest the hog and corn farmers should reject control, the AAA finds that on the farms it remains popular. Early returns forecast a close vote, but at this writing the count is better than five to one for continuance, conclusive evidence which will be anxiously studied by Republican leaders. Administrator Davis, however, reads it as approval not so much of the AAA as of the particular policy of preventing future overproduction. With the shortage of hogs and the high price of pork, the temptation of farmers might have been to plunge into unrestrained competition, with ultimately dangerous results. Mr. Davis believes that the farmers are laying upon themselves a self-denying ordinance, which, if his interpretation is correct, bespeaks a remarkable conversion from individualism to the philosophy of planning. At this moment it is impossible to say whether the increased production of 25 to 30 per cent planned for next year will bring down prices. It should do this particularly for the benefit of consumers. The farmers have the AAA looking out for their interests, and the consumers have only a board or two, armed with no authority. None of the studies which have been made of "fair prices" for farm products have even attempted to determine the effect of prices on consumption. Hence consumers will look upon the vote of the farmers with as much anxiety as the Republicans, though for another reason. The Republicans, we imagine, are busy searching for the right name to give to the AAA when they advocate its continuance in next year's campaign.

PRESIDENT CÁRDENAS'S plea for a resumption of American capital investment in Mexico may be taken as further evidence of the fundamental insincerity of the present regime's revolutionary pretenses. During the past twenty-five years every attempt to improve the basic economic conditions of the Mexican working class has been frustrated by the active or tacit opposition of American vested interests. The annual toll levied by foreign capital is estimated to be between 100 and 300 million pesos (\$300,000 to \$900,000). This might not be excessive even for a poor country like Mexico if the investments were used to develop the productive resources of the country, in the same way that foreign capital was utilized by the United States in the nineteenth century. But unfortunately this has not been the case. The bulk of American capital has been invested in mining

and oil, where American exploitation has been contrary to Mexico's real interests. Even the sums invested by the United States in developing transportation facilities have served rather to bring Mexico under American economic domination than to raise the living standards of the Mexican people. Foreign investments may be necessary to revive American capitalism, but there is vastly less danger of unpleasant repercussions if such investments are confined to countries where there is no temptation for the flag to follow the dollar. President Cárdenas's closing exhortation, "Do not be afraid; there is nothing to fear and much to be gained," might well be added to the collection of "famous last words."

IN SETTING November 14 as the date for the British elections Stanley Baldwin has sought to capitalize on the unanimity with which British public opinion has backed the National Government's policy in the Italo-Ethiopian crisis. The fact that any other government, Liberal, Labor, or Tory, would have followed almost exactly the same path will, of course, be overlooked by the average voter, and the chances are that the Conservatives will win by a landslide only slightly less impressive than that of 1931. Superficially, Baldwin will be able to present a strong case for continuing the National Government in office. The domestic crisis which led to the elections of 1931 has been successfully settled. The budget has been balanced; industrial production has been running above the 1929 level for more than a year; unemployment has been reduced to less than two million for the first time since the onset of the depression. A new crisis has arisen, this time caused by a threat from without, which makes national unity as essential as in 1931. A popular mandate is required before the government can proceed with its ambitious plan for rearmament. Labor will doubtless oppose the armament program, but its task will be a thankless one in the face of the obvious menace of German and Italian fascism. Its one hope lay in the possibility of turning attention back to the domestic scene. The existence of serious discontent in the mining regions, as evidenced by the recent South Wales strike, the unsolved problem of the depressed areas, and failure of the government to take active measures for providing work for the two million who are still jobless would normally react to Labor's advantage. But devoid of leadership and torn by internal strife, the party could scarcely be asked to fight an election under more unfavorable conditions.

THAT MILK RACKETEERING exists on a national scale as well as in local situations such as *The Nation* discussed last week seems to be established by the reports on milk costs of the Consumers' Division of the NRA. On the premise, first, that the distributor and not the milk farmer is the nub of the tangled problem, and, secondly, that distribution costs and therefore retail costs are entirely too high, the division's economists and field men have concentrated on the marketing end of the milk muddle, and have uncovered some interesting facts. There is, for instance, a widespread duplication of delivery routes. This duplication is sanctified under the name of necessary competition and is said to be justified because it gives the consumer a "buyer's choice" with regard to the quart or two of milk he buys daily. But, declares the NRA research unit, there is no such thing as a

Nov
"buyer
from a
health
matter,
other,
produc
another
tributio
tion wo
not suf
open m
But th
distribu

TO b
in a N
Stuhl
German
held on
the cou
ber of
order,
of them
to the p
ney ail
been sp
ties of
played
rather
it is ne
improp
weissen
spite of
ism, it
expecte
October
the stat
as orde
ment,"
Nation
or low
offers a
know o
'My B

AL
p
civil rig
Liberti
other.
Jersey,
to take
ernors
seven
Indiana
ballot
overthr
ing on
to note
and int
ninete

"buyer's choice" since the milk for any community comes from a limited area, the farmers must meet the same public-health regulations, the pasteurization is a purely mechanical matter, and distributors meet the same local health laws. In other words, milk is milk and not bottled sunshine, and the product of one dairy cannot be distinguished from that of another. It might be supposed that if competition in distribution keeps retail prices up, similar competition in production would benefit the farmer, since the country is obviously not suffering from a milk surplus. Perhaps it would in an open market, where he could bargain for a satisfactory price. But there is no open market. He must either sell to the distributing monopoly at its price or see his milk curdle.

TO GIVE POINT to the article on German Catholics by Emil Lengyel in this week's *Nation*, the "suicide" in a Nazi prison on October 3 of the Reverend Thomas Stuhlweissenburg, former head of the Dominican Order in Germany, is announced. Dr. Stuhlweissenburg was being held on a charge of attempting to smuggle currency out of the country in violation of the laws of the Reich. A number of other Dominicans, including the present head of the order, are in prison awaiting trial on similar charges. One of them, Bishop Peter Legge, of Meissen, has been removed to the prison infirmary, suffering, it is declared, from a kidney ailment. While the persecution of Jews in Germany has been spread out for the world to see, the anti-Catholic activities of the German government have been more or less played down. If a German Catholic priest ends his life rather than endure longer the torments of a German prison, it is news. And one may suspect, the Catholic belief in the impropriety of suicide being what it is, that Dr. Stuhlweissenburg's death was actively hastened by his jailers. In spite of Hitler's recent castigation of Germany's new paganism, it is reported that a new drive against Catholics may be expected shortly, and General Göring's speech at Breslau on October 27 does nothing to dispel this rumor. "Whoever in the state administration and in the party does not keep step as ordered by the *Führer* must be purged from the movement," he said. Loyal Germans must not be diverted from National Socialist aims by the inconvenience of food shortage or low wages; a united Germany must face a world which offers a constant threat to peace. "We National Socialists know only one fundamental writ and that is Adolf Hitler's 'My Battle.'" Such a plan promises ill for dissenters.

ALTHOUGH NO FEDERAL LEGISLATION was passed in the recent session of Congress further limiting civil rights, fourteen states, according to the American Civil Liberties Union, enacted repressive laws of one sort or another. Arizona, Georgia, Massachusetts, Michigan, New Jersey, Texas, and Vermont passed laws requiring teachers to take an oath of loyalty to the Constitution. The governors of Delaware and Maryland vetoed similar bills, and seven other states defeated them. Arkansas, Delaware, Indiana, and Tennessee adopted legislation barring from the ballot left-wing political parties or candidates advocating the overthrow of the government by force or violence or "carrying on a program of sedition or treason." It is encouraging to note that this measure, sponsored by the American Legion and introduced in twenty-three states, was turned down in nineteen. California, out of a flood of proposed repressive

bills, enacted only one, which forbids individuals or parties who advocate the overthrow of the government "by force and violence or other unlawful means" to use school buildings for meeting places. Probably the most serious single piece of repressive legislation passed last year is New Jersey's anti-Nazi law. This provides for punishment of written or spoken incitements to "hatred, violence, or hostility . . . by reason of race, color, religion, or manner of worship." Designed to suppress the violent expression of pro-Nazi sentiments, it is so broad as to offer ground for suppression of any other group that happened to be out of favor with the majority. When Congress meets in January some twenty-odd bills unsuccessfully presented last winter will be reintroduced. The battle is still being fought by those who would continue to erode the Bill of Rights; its champions must be equally vigilant.

INASMUCH as *The Nation* has in the past taken occasion to comment upon the senile degeneracy of the Pulitzer Prize, it naturally welcomes the announcement that seventeen of the leading drama critics of New York (including its own) have decided to award an annual medal to "the best new play by an American author" produced during the year. Their choice is to be made public two weeks before the Pulitzer awards, and though the critics refuse either to affirm or to deny the fact, their medal is obviously a symbol of their dissatisfaction with recent selections for the Pulitzer Prize. If more than four of the seventeen critics refuse to acquiesce in the judgment of the majority, no award will be made; it remains to be seen just how often a sufficiently general agreement can be reached.

THE PUBLISHERS have held all the aces thus far in their dealings with the American Newspaper Guild, but it is plain that the run-around cannot go on forever. At present the guild is engaged in three important battles. Morris Watson has been discharged from the Associated Press for his activities in behalf of the guild. The fight for his reinstatement is just beginning. The issue in this case is so clear that its outcome will be of the utmost significance. The editorial workers of the Philadelphia *Inquirer*, after trying vainly for seventeen months to obtain collective bargaining, have turned to the new National Labor Board for help against their absentee publisher. Since the publishers through their national organization have given every indication that they will fight it strenuously, the *Inquirer* case seems slated to become a *cause célèbre*. It will also be the first newspaper test case under the new national labor-relations law. Finally, the lockout at the Amsterdam *Daily News* is still in force. Meanwhile the guild is gradually being developed into a more effective fighting instrument, even though the process is not taking place as rapidly as one might wish. While a large majority of the members favor affiliation with the American Federation of Labor, they fell just short of mustering the necessary two-thirds' vote in the recent referendum on the question. The conservatives have threatened to secede and to set up organizations of their own, filled with little besides professional ethics, but the vote on A. F. of L. affiliation makes it clear that most guild members favor outright labor-union tactics. It is only as labor cases that the three situations which now confront the guild can be intelligently or successfully handled.

We Must Enforce the Kellogg Pact

THE reply of Secretary Hull to the League of Nations does not close the door on ultimate cooperation, and it acknowledges our interest in peace. The Administration takes the position that its arms are pinned in the strait-jacket of the neutrality resolution and that it can do little more than express sentiments. It has, however, expressed them in a way intended to be encouraging to Geneva, and to remind public opinion in this country that we cannot remain disinterested in the European crisis simply because we do not intend to fight. The country is experiencing one of its deep, passionate surges, and is now overwhelmingly isolationist. Such surges are to be expected; but what it is feeling today is not what it will think tomorrow. Isolation is a doctrine of escape, inviting just now because Europe seems perilously close to a destructive war in which we have no immediate economic concern. But the danger of a general conflagration has been overdone, as those who have been frightened out of their better judgment will realize in time. And when there has been further reflection, we shall realize that there is no escape from world responsibilities, that isolation weakens collective action, and that peace is not to be furthered in that way.

The Administration, by implication, has given its blessing to Geneva, and well it may, since the League's action can develop into the most important event in the history of international relations. For the first time coercion is being used to support the outlawry of war, and thus the first step is being taken to establish a system of law among nations, supported by action, to take the place of a system of unsupported moral principles. To this assertion the objection will be raised—it has been in our pages in a recent letter from Frank Simonds—that the events at Geneva are nothing of the sort, but are merely the clash of imperialist interests, Britain versus Italy. Mr. Simonds, in seeing this clash, which is there, fails to see the incomparably greater fact that human society is trying to organize itself on the principle of a Kellogg pact enforced by penalties, and thus to bring to a head the experience of a cursed generation in waging the greatest and most disastrous war in history. Hitler stands in the background, training a nation to fight, and a still more disastrous war looms ahead. Unless collective action can become effective in short order, Western civilization is doomed.

It is no argument against collective action taken to establish law to say that it is serving one or another imperial or national interest. In domestic affairs law is not an alternative to selfishness. Law places a limit on selfishness, and canalizes it within orderly bounds. Joining a collective system is not like joining a church, which presupposes moral conversion. Empires, members of a collective system, will continue to behave imperially, and selfish states selfishly. But a legal system, enforced by collective coercion, limits their greed at this one point of ruling out the use of war in furthering national policy.

It is true that the conflict at Geneva is between the haves and the have-nots. It also is true that forbidding the use of war to the have-nots does not solve the problem. But there are two problems: the outlawry of war as an instru-

ment of national policy, and the dire necessity of finding peaceable means of rectifying intolerable treaties and assuring raw materials and markets to industrial nations. In domestic society we have not settled the conflict between the haves and the have-nots; and in domestic society, too, the law is on the side of the haves. But few would argue on that account that law is useless and anarchy preferable. Instead, we set ourselves to pursue that conflict under legal protection, knowing that in time the law itself can be made more just.

Carrying the analogy back to international relations, we cannot reject a system of law in international life merely because accepting it does not of itself redistribute colonies and raw materials. The chaos of the war system guarantees change, but surely no one would argue that it furthers justice. Either we choose to work for justice in a lawful system or we choose to remain in anarchy, arming against one another, suspicious of one another, and ultimately destroying one another. And isolation cannot provide an ultimate escape.

This would have been plain to the United States had the League not been woven together as a piece with the treaties of 1919. The Covenant leveled its threat of coercion for many years, not against war, but against violation of the treaties. We would have nothing to do with the treaties, hence remained out of the League. And as the iniquity of the treaties became apparent, the British weakened in their cooperation with the League and virtually abandoned the Covenant. The value of the present action at Geneva lies in its being focused entirely on the outlawry of a war of unprovoked aggression. We are now at a new and saner stage of international effort. And Britain, in pledging its permanent cooperation, has virtually told France that it will apply coercion to outlaw national war but not to defend the treaties. In other words, Geneva is now the executant of our own instrument, the Kellogg pact, and it is as much our concern to have it enforced as it is that of any other country.

Our policy, then, must be to accept our responsibility in creating a lawful international society. We cannot hope that others, while we take to the storm cellar, will establish it. Our cooperation may be decisive in forming it. *The Nation* believes that economic action will be enough to bring Italy to terms. We also believe it will warn Hitler that his war is going to create a united economic front against him. So we urge the President to take sides by joining in the economic sanctions against the violator of the Kellogg pact; to call Congress; to ask for a new policy of cooperation; to remind the country that until this hour it always has been a leader in the effort to organize world peace. We urge him, at the same time, to accept the twice-made offer of Sir Samuel Hoare to call a world conference on raw materials, and to press for an early vitalization by the League of Article XIX. It must be clear that America's interest is the outlawry of war and not the aggrandizement of the haves. Such action will do more than anything else in our power to reduce the danger of war in Europe. The alternative to it is to arm ourselves for an ultimate war in a world of anarchy.

Britain Holds Its Ground

AFTER a week of sensational rumors the Anglo-Italian situation remains essentially unchanged. Mussolini has played his trump card. As a gesture of conciliation toward England, made with the hope of obtaining a renewal of three-power negotiations, he voluntarily withdrew a division of troops from Libya and submitted through Laval a peace plan which was slightly less outrageous than his previous demands. While the terms of this proposal were naturally shrouded in secrecy, they are reported to have included a suggestion that Ethiopia be divided into two zones, that the non-Amharic zone bordering Italy's present possessions be placed under Italian rule, and that the remainder of Ethiopia be put under some sort of international control in order to protect the newly formed colony against attack. Italy also asked that Assab in Eritrea be opened to Ethiopia as a free port rather than Zeila in British Somaliland, because of fear that use of the latter port would strengthen Britain's hold on Ethiopia.

For a brief period it looked as if Mussolini's strategy would be successful. There was a visible softening in England's attitude toward Italy. After telling the House of Commons that Great Britain would neither close the Suez Canal nor advocate military sanctions, Sir Samuel Hoare asked whether the breathing

space before the actual application of the economic penalties "could not be used for another attempt at . . . settlement." The following day Prime Minister Baldwin and Anthony Eden echoed this hope, adding, however, that any such settlement would have to be acceptable to both the League and Ethiopia. With Laval striving to obtain an agreement on any basis and Britain apparently in a mood to make substantial concessions, it seemed possible that the long-rumored partitioning of Ethiopia was about to take place.

Then, as suddenly as it had weakened, England's policy once more stiffened. The strength of the British fleet in the Mediterranean was maintained despite the report that a reduction had been agreed to in return for the withdrawal of Italian troops from Libya. Prime Minister Baldwin admitted that the British fleet might be called upon to act independently in blockading an "aggressor," though Italy was not named. Financial and economic sanctions were given official approval without any indication of possible postponement. Rumor had it that the Italian peace terms had been received and flatly rejected. While various factors were probably back

of the strengthening of the British attitude, the most important was doubtless the proximity of the general elections. The opposition parties had already started attacking the Cabinet for its lukewarm support of the League, and it is obvious that the National Government must base its appeal to the electorate primarily on its foreign policy. If Britain is eager to make a deal with Mussolini it will have to be after November 14. Another factor contributing to the change may well have been the enthusiasm with which the French Radical Socialist Congress applauded ex-Premier Herriot's demand that France be more vigorous in its support of Great Britain and the League. For Laval is in an extremely precarious position, despite his victory in the recent senatorial elections. Support for his pro-Italian policies comes almost entirely from relatively unimportant right groups, while the powerful Front Populaire—consisting of left-wing Radical Socialists, Socialists, and Communists—

could almost certainly deliver a clear majority in the Chamber of Deputies in favor of a more aggressive program. Should Laval fall, his successor would unquestionably take a position much closer to Britain's.

Meanwhile there can be no doubt that Mussolini is seriously disturbed by the prospect of sanctions. Italy's gold reserve is

already down to four billion lire—approximately \$320,000,000—and since credits are out of the question and exports are certain to be reduced, he is faced with the necessity of cutting imports below the level of safety. While the pinch may not be felt for three or four months, an equally long period will be required after the termination of hostilities before normal conditions can be restored. Mussolini doubtless recognizes this, and realizes that he has only a few more weeks in which to maneuver if he is to avert serious injury to Italy. Although he has thus far failed to win British approval to a plan for partitioning Ethiopia, the new scheme drafted by British and French experts appears to give Mussolini a great deal more than he could have obtained by peaceful means. The tragedy of such an outcome is self-evident. Capitulation now would destroy nearly all the value of the League's courageous action in recent weeks. For if the League is to hold Hitler in check, it must not only show that it can apply effective sanctions within a relatively short time but also demonstrate that any power which defies the collective law will suffer the consequences of its folly.



BARBARISM.

CIVILIZATION.

Miracles

ENGLAND is just now being mildly stirred by a young Hindu who walks on fire. A demonstration has been given under scientifically controlled conditions, and there seems to be no doubt about the facts. Kuda Bux takes several steps along a trench of glowing coals carefully prepared by the examiners. A hardy "control" who consents merely to touch the fire with his bare foot gets a nasty burn, but Kuda Bux, whose feet appear perfectly normal, is entirely unaffected by his adventure.

Professor C. R. Darling, a physicist, has suggested that perhaps the miracle worker walks with a springy step which greatly reduces the length of time that his feet are in contact with the coals. He adds that a thermometer touched to the embers for an equal time registers little rise in temperature; but it has been replied that a springy step implies hard pressure of the feet during the period of contact and that merely touching the thermometer for an equal time affords no fair test. No one appears to have any other explanations, rational or otherwise, to offer, and there are facts which make it difficult even to assign the phenomenon to a category. Certain conditions have to be fulfilled—the coals, for example, have to be of charcoal of a certain kind—and one concludes, therefore, that if the wonder worker really rises superior to nature, his supremacy over it is of a ridiculously limited sort. If, on the other hand, there is a natural explanation, one would expect some clues to the existence of a natural process. But Kuda Bux's feet are unaffected in any way and there is no reason to suspect a mere anaesthesia to pain because there are no apparent physiological processes by which pain could be caused. Perhaps the fact that a piece of adhesive plaster attached to the foot is only scorched is a suspicious circumstance.

The most annoying feature of the whole business is that no satisfactory explanation may ever be forthcoming. The evidence in favor of miracles does not actually convert most men, but in many instances it has been so good that the skeptic is thrown back upon the contention that, whatever proof may be offered in a particular case, it must be discarded on the ground that the weight of continuing experience is against it. As is pretty generally admitted, the evidence for the existence of witchcraft in the fifteenth and sixteenth centuries is at least as good as the evidence upon which our credence in many historical events is based, and at least one prominent scholar in the Church of England, Montague Summers by name, has written several books to prove that witchcraft cannot be rejected unless one is willing to reject the whole law of evidence.

More interesting are the cases of isolated phenomena which have defied all attempts to explain them. Five or six years ago Robert T. Gould, a retired English naval officer, published the results of his careful investigation of eleven such in a curious volume called "Oddities: A Book of Unexplained Facts." Among them were the appearance of "devil's hoof marks" in widely scattered sections of Devonshire in 1855 under circumstances which seemed to rule out every attempt to explain them either as animal footprints or as purely physical manifestations. In another category there is the perpetual-motion machine, demonstrated in the eighteenth century by one Orffyreus; this was examined by com-

petent observers, whose accounts include details which seem to make unacceptable any explanations of how the effect might have been produced by trickery.

Skeptics need a general defense, and we have always liked the one invented by Bishop Burnet to defend his disbelief in the doctrine of transubstantiation. Even, he said, if it be granted that all statements in the Bible are true and that the Bible appears to say that the wine is changed into blood, we can still say that we have the evidences of three senses that the wine is not blood and the evidence of sight alone that the Bible actually does say that it is.

Buyers, Beware!

THE forgotten consumer has received frequent editorial mention during the past two years, but he needs a lot more. In addition, in a world overflowing with commodities sold in pretty packages, he needs specific advice on what and how to buy. It is a truism that the government should collect and disperse such information, making it available through the press and by other means to every potential buyer. Such a service obviously would cost a large sum of money and it would encounter the forceful opposition of the main support of the newspapers, the advertisers of commodities, who object to true talk about their products. Nevertheless, various government bureaus are in fact publishing a certain amount of information of value to consumers, although in general the consumers do not know it. It is in an attempt to give more publicity to such facts as are now available that *The Nation*, beginning with this issue, will give space to a regular fortnightly column, conducted by Miss Ruth Brindze, which will print selections from the findings of the Food and Drug Administration, the Federal Trade Commission, and similar government bureaus, as a help in the everyday allocation of the family budget.

Under the National Recovery Administration the Consumers' Advisory Board was created to protect consumer interests. Fierce and unrelenting pressure from interested manufacturers—interested in their own business, that is, of selling goods by whatever means—prevented this agency from functioning in an effective manner, and it has of course passed out with the NRA. The Consumers' Division, also established under the NRA, is still operating, and a recent announcement by Dr. Walton Hamilton, its director, that a study of the milk industry is in progress indicates that agency to be less moribund than its friends feared it was. Cooperative Distributors, which for three years has been building a national distributive service in tested products along cooperative lines, has changed its publication, the *Consumers' Defender*, into a monthly and will publish articles and information of value to consumers. Consumers' Research remains under a cloud, the result of its director's hostility to striking workers who attempted to organize a union. Mr. Schlink continues to display all the characteristics of a little Mussolini and the strikers continue to picket. But in spite of its anti-labor bias, Consumers' Research has been of real service to buyers. Its work and the other activities in behalf of the consumer show that some attempt is being made to create an intelligent and informed buying public. *The Nation's* consumer column will further extend these efforts.

TH
t
o
Duffus
the Hous
ated sole
valuable
the Unit
which ou
while we
words:
country i
part in d
inquire v
did to ge
Mr.
his partn
"heavily
win"; (2
ganda" in
Washingt
than \$30
supplies t
the Unite
pro-Ally
"we were
(4) that
American
there is c
going int
ness men
and that
ceptance
First
knocked
charged t
They did
their emp
same com
Germans,
one has c
Woodrow
knows, as
war, the
—for the
Allies' de
no sane m
with takin
of this mo
charged th
side of the
preponder
war to aid
the Allied
was somet

Issues and Men

Mr. Lamont Defends the Morgans

THOMAS W. LAMONT has criticized in a letter to the *New York Times* a review by Robert L. Duffus of Harold Nicolson's life of Dwight Morrow. Mr. Duffus dared to disagree with Mr. Nicolson's portrayal of the House of Morgan as a highly benevolent institution actuated solely by love of humanity and rendering inestimably valuable services to the Allies—and therefore, incidentally, to the United States. Mr. Duffus wrote of "the manner in which our financiers actually made us an ally of the Allies while we were still officially neutral," and also used these words: "Let it be admitted that in helping to draw the country into the European war he [Dwight Morrow] had a part in decivilizing the world." Mr. Lamont ventures "to inquire what Mr. Duffus thinks our firm or Mr. Morrow did to get the United States into the World War."

Mr. Lamont then proceeds to assert (1) that he and his partners in favoring the Allies were but a part of a "heavily preponderant majority that hoped the Allies would win"; (2) that he and his partners did not carry on "propaganda" in favor of our going to war, or seek "to influence Washington in favor of war"; (3) that the vast sum (more than \$30,000,000) which the Morgans made out of selling supplies to the Allies and floating their bond issues before the United States went into the war did not determine "the pro-Ally sentiments of Morrow or Morgan or any of us"—"we were pro-Ally by inheritance, by instinct, by opinion"; (4) that no one "can believe that the Allies' demand for American supplies was created by our firm"; (5) that there is current a new and false version of the causes of our going into the war to the effect that "it was American business men rather than Germany that got us into the war," and that "it will not do good but harm to encourage the acceptance of this myth."

First of all let me point out that Mr. Lamont has knocked down men of straw he himself set up. No one has charged the Morgan firm with indulging in propaganda. They did not have to do so. That was done for them by their employers, the British government, with precisely the same complete disregard for truth that characterized the Germans, and with vastly more cleverness and ability. No one has charged the Morgan firm with having influenced Woodrow Wilson to go into the war, for Mr. Lamont knows, as I know, that under Wilson, until we got into the war, the White House was closed to the House of Morgan—for the first and only time. No one has charged that the Allies' demand for supplies was created by the Morgans; no sane man would think of doing so. They are only charged with taking a modest 1 per cent of the blood money. And of this modest 1 per cent Mr. Lamont is proud. No one has charged that preponderant American opinion was not on the side of the Allies. It was. But this does not mean that the preponderant sentiment was in favor of our going into the war to aid the Allies and to make safe for our democracy the Allied bonds floated by the House of Morgan. That was something entirely different. Indubitably the men and

women Mr. Lamont and his associates met socially and in a business way were for our entering the war. Why not? But the country as a whole voted Mr. Wilson back into the White House because "he kept us out of war," a phrase written into Ollie James's keynote address at the St. Louis convention and, as we now know, read and approved in advance by Colonel House and Mr. Wilson, who well knew the pacifist temper of the people. Not a single one of these charges answered by Mr. Lamont was made by Mr. Duffus, or even referred to by him in his review.

I agree that "it will not do good but harm" to encourage the acceptance of the "myth" that American business men helped to get us into the war—which is the only charge Mr. Duffus made—that is, harm to the bankers. But the question is not of harm or benefit to the Morgans or anyone else; the question is simply, What is the truth? I have no doubt that Mr. Lamont, for whom since our college days I have had a warm personal regard, believes that he and his associates were not influenced by the huge sums that they were making by their association with the Allies. I cannot believe it, because I do not think that there are any persons in existence who would not be consciously or unconsciously affected by such an association. I know I should have been. That they would have been pro-Ally if they had never made a cent out of the war I gladly recognize. So was I, and so was any man who valued ethics and justice on the day the Germans swept into Belgium. But all this cannot veil the fact that the huge vested interest in the war created by British purchases engineered by the Morgans went far toward pushing us into the war, and would have helped to do so had the Germans refrained from their wicked submarine warfare. Mr. Lansing's letters prove this as Mr. Lamont should know. He insisted to Mr. Wilson that we must go into the war lest our vast Allied-created prosperity be checked and an economic crash ensue.

The gentlemen of the House of Morgan live in an exalted and rarefied atmosphere to which few of us can aspire. Perhaps that is why they often seem so detached from the realities and facts of American life. One would think that they would at least recognize that the neutrality resolution passed by Congress, which Senator Van Nuys and others say will be strengthened just as soon as Congress meets again by forbidding credits and loans to belligerents, is a vote to make it impossible for the Morgans or any other bankers to repeat their procedure in any future war. They are not to have the opportunity to decide, however justly, which side they think Americans should favor and then ally themselves with it. They will be compelled to be neutral—Mr. Lamont has written, "We were not neutral for a single moment"—to be loyal and not disloyal to their government's neutrality.

Bruce Garrison Villard



How About a War Against These?

T

is over.
amount
turned.
tember
excepti
as esti
above t
last year
is at an
indices

Un
in rece
average
tional e
the hea
acute.
7 per c
the sam
present
months
cent. I
justed f
four year
of this
wages s

Th
dustrial
Survey,
in the fi
June po
compani
as comp
declarat
types of
sponding
cent abo

Th
by the a
may not
he know
cial con
panic an
at least
therefor
doubtedl
fied. Is
was lack
the sprin
so-called

To
both the
instabilit
plex but

Paradoxes of American Recovery

By MAXWELL S. STEWART

THE press, particularly that section of it which supports the Democratic Party, has been working hard to convince the American people that the depression is over. And, indeed, it is possible to pile up an impressive amount of evidence that the long-sought corner has been turned. The *Annalist* Index of Business Activity for September was at the highest level since May, 1931, with the exception of July, 1933. Industrial production for October, as estimated by the Standard Statistics Company, was above that of any other October since 1930, and exceeded last year's mark by 18 per cent. Electric-power consumption is at an all-time high, while car loadings and other business indices are far more favorable than in any recent fall.

Unlike several of the false booms which have occurred in recent years, the improvement appears—at least to the average newspaper reader—to affect every section of our national economy. Recovery has been particularly marked in the heavy industries, where the depression had been most acute. Cash farm income, including benefit payments, was 7 per cent higher in the first eight months of 1935 than in the same period of 1934. Payrolls in the first half of the present year were 9 per cent above those of the corresponding months of the previous year, and employment was up 1.3 per cent. Department-store sales are at the best level, when adjusted for seasonal variation, they have reached in the past four years. Even farm laborers, literally the "forgotten men" of this generation, are reported to be receiving the highest wages since 1931, though still less than the pre-war average.

The greatest gains have been in the profits of big industrial corporations. According to Moody's Investment Survey, the earnings of 168 of the largest of these concerns in the first half of 1935 were 21 per cent above the January-June period in 1934. For the third quarter the first 138 companies reporting showed a 37 per cent rise in net profits as compared with the same quarter a year ago. Dividend declarations for the first nine months of 1935—including all types of business enterprises—exceeded those of the corresponding period last year by 6 per cent, and were 15 per cent above the first nine months of 1933.

That recovery has set in is a fact that will be accepted by the average person without dispute. Although he himself may not be better off than he was two or three years ago, he knows dozens of persons who are. And even where financial conditions have not actually improved, there are less panic and insecurity than were prevalent a few years back—at least for the upper and middle classes. The real question, therefore, is not whether confidence has returned—for it undoubtedly has—but whether the existing optimism is justified. Is there a basis of stability in the present upturn which was lacking in the false revivals of the summer of 1933 and the spring of 1934? Or like the boom of 1928-29 does our so-called recovery contain the seeds of future disaster?

To answer these questions it is necessary to consider both the causes of the recent improvement and the forces of instability in our present economic structure. Both are complex but susceptible to analysis. The main factor back of

the upturn is doubtless the accumulation of consumer demand following the virtual cessation of buying, both by individuals and corporations, during the depression. Recent large expenditures for repairs and expansion by the automobile and steel industries illustrate the length of time which must elapse before this force gains its full momentum. Gradually, however, the rising prices brought about by the Administration's monetary policy, together with the increased purchasing power resulting from improved agricultural conditions and public-works expenditures, have stimulated business concerns to make necessary replacements and provide for expansion. The recent gains in the heavy industries indicate that business spending is now reaching sizable proportions, which is of utmost importance since expenditures of this type are normally far larger than those for consumers' goods.

Under the existing economic system the volume of business spending depends on one factor and one factor alone—the prospect of future profits. With prices rising more rapidly than wages and other costs of production, the immediate outlook for earnings would appear to be excellent. But business activity cannot continue to expand unless there is a steady increase in consumer buying power. At the moment, at least, this process appears to have been checked by the unholy scramble for profits. We find, for example, that while net earnings in the first six months of 1935 were approximately three times as large as in the corresponding period of 1933, unemployment has been reduced by less than 20 per cent and wages of industrial workers have advanced no more than has the cost of living. A rise of 36 per cent in factory production has been achieved since 1932 with only a 23 per cent increase in employment. Real wages remain 15 per cent lower than in 1929, and are even slightly below the level prevailing at the depth of the depression in 1932. As is usually the case in a period of rising prices, profits appear to have expanded at the expense of working-class living standards. This is possible and even "normal" during the first stage in the economic cycle, but is one of the primary causes of the instability of capitalist economy.

As a result of a recent Brookings Institution study of the relationship between the distribution of income and economic progress, the underlying causes of our economic difficulties are much more clearly understood than they were even a year ago. The key to the problem is to be found, according to this study, in the tendency for savings to accumulate more rapidly than capital may profitably be invested in new enterprises. In the period between 1922 and 1929 this tendency had its roots in the growing concentration of wealth in the hands of a small group of individuals who neither needed nor used their expanded incomes for living purposes. The 219,000 families which reported an income of over \$20,000 in 1929 accumulated more than half of the country's total savings, though they spent on the average more than 25 times as much per family as the group earning between \$1,000 and \$1,500. When savings are promptly invested in new capital equipment—factories, machinery, or railroads—there is no loss of consumer buying power. But

when they pile up unused, there is an actual decline in mass purchasing power, which in turn reacts to make investment less profitable. In the early days of the depression the tendency toward over-savings became even stronger. Panic-stricken, large numbers of persons hoarded their surplus funds, and capital expenditures practically ceased. The recent upturn has temporarily revived investment, but has not corrected the basic maldistribution of income.

A confirmation of this analysis may be found in a recent article by Professor T. J. Kreps in the *Quarterly Journal of Economics*. Taking the average of 1923 to 1925 as a basis, Kreps points out that by 1929 dividend and interest payments had advanced 46 per cent as against an increase of only 9 per cent in factory payrolls. In 1932 payrolls declined to 46 per cent of the 1923-25 level, while the index for interest and dividend payments remained at 70 and that for the salaries of corporation officials was 76. By the fourth quarter of 1934 payrolls had recovered to 61, but dividend and interest payments had risen to 76, and the compensation of corporation officials had dropped to 70. Profits, although still only one-half of the 1926 level, showed a greater recovery in 1934 than payrolls.

The accumulation of surplus capital from over-savings presented no immediate difficulty as long as it was absorbed by foreign loans. Between 1922 and 1930 the United States invested no less than ten billion dollars abroad, an average of \$1,100,000,000 annually. While most of this vast amount has been defaulted, the existence of this outlet for our surpluses was primarily responsible for the high level of business activity which was maintained during the twenties. Today this door has been virtually closed, legally by the Johnson act and financially by disillusionment over the losses incurred in the boom period. Despite the recovery in domestic business activity, our exports—measured in terms of gold—have dwindled to less than 30 per cent of the 1929 level. Apart from an unwillingness to advance further foreign loans, the commercial policy of the United States has remained unchanged. But instead of allowing our export surplus to be balanced by foreign credits, we are now demanding payment in gold and silver. The total imports of these two monetary metals thus far this year is \$1,064,000,000, after an influx of approximately \$1,150,000,000 in the whole of 1934. During these two years the United States has added to its already excessive hoard 10 per cent of the world's supply of gold, which gives us a stock nearly as large as that held by the whole of Europe. The Administration has the choice of using this reserve as a basis for the wildest inflationary spree in our history, which might ultimately correct our trade balance, or of withdrawing it altogether from use with disastrous consequences to the world's monetary system. Neither course offers more than a temporary solution for the problem of surpluses.

The limitations of the American recovery movement are readily apparent when comparison is made with Great Britain and the other countries which have benefited by depreciated currencies. Although the total amount of unemployment in Europe has declined by at least a million in the past year, the United States has fully as many jobless as in 1934. With eleven million persons seeking work, we have one and a half times as many persons out of jobs as the whole of Europe with a population four times as large. And though industrial production in Great Britain has risen 4

per cent above the 1929 level, that of Norway and Sweden 10 per cent, and that of Japan nearly 50 per cent, industrial activity in the United States remains nearly 30 per cent below 1929. Only France, Poland, the Netherlands, and Czecho-Slovakia have a less favorable record.

The tardiness of American recovery is doubtless due in part to the fact that the United States suffered more severely from the world crisis than any other country. The depression was the result of our attempted defiance of economic law, and we paid heavily for it. But in addition there can be no question that many of the policies of the New Deal have retarded the normal upward swing of the economic cycle. Almost every error known to economic science has been committed. Hundreds of millions of dollars have been squandered in maintaining an unsound capital structure so that the real return to bondholders might be increased. Agricultural and industrial production has been limited or reduced at the expense of living standards. Tens of millions of dollars have been jammed into the pockets of a few silver producers, even though the policy has brought ruin to China. Under the guise of tariff reform, a series of trade agreements has been signed which tends to accentuate the maladjustments of American commercial policy. A monetary program has been followed which, though it gives temporary relief to American business, has resulted in the accumulation of billions of dollars of useless gold and an intensification of deflation in the gold-standard countries. Monopoly and price-fixing have been encouraged, even though it has been demonstrated that these practices were among the chief causes of our downfall. The nullification of the NRA has mitigated some of these errors, but the full effect of most of the others will not be felt for some time to come. Governmental expenditures of any kind are stimulating in their immediate effect on business, but organized raids on the Treasury must ultimately lead to inflation unless Congress has the courage to increase taxes to match its unprecedented largess.

Machine civilization has engendered two conflicting tendencies in economic organization which have gradually become irreconcilable. On the one hand, the growth of large-scale production has eliminated competition from large sectors of our economic structure and thereby increased the temptation to rig prices. The result has been that many business enterprises have failed to pass on the benefits of technical improvements in the form of lower prices for consumers. Instead of stimulating production through increased purchasing power, each advance in technique has meant that money which formerly went to labor was diverted to stockholders. With the resulting concentration of wealth has come a centralization of economic power against which even the most liberal governments have been powerless. Parallel with this development, another equally far-reaching and important has taken place. Faced by growing insecurity, the working class has sought and to a certain degree obtained regulation of hours, wages, and working conditions, together with protection against the hazards of sickness, unemployment, and old age. While the demand for security clashes fundamentally with the lust for profits, it carries a promise of stability and order which our economic system sorely needs. Under the New Deal the conflict between these forces has become sharper than at any time in our history. The character of our recovery depends on the outcome of this struggle.

Is the Endowment Policy a Good Investment?

By MURRY LEVINE

THERE are millions of endowment policies in force on the books of the life-insurance companies today, held by hundreds of thousands of policy-holders in this country. These policies are not held exclusively by the common laborer who has no knowledge of mathematics but by many thousands of lawyers, teachers, accountants, and other professional people. They are sold by the underwriters, waylaying their prospects with figures from every angle but the right one, to parents of small children for an educational fund, to growing boys and girls just beginning to earn, and to young couples just married for a savings fund in their middle life, when the going will be harder and the earning power will begin to wane.

What has made the endowment policy so popular? Is it the satisfaction of the insured person which has made it so, or is it that of the agent, who has two thoughts in mind when he proposes it—the size of the premium (twice as large as that on an ordinary life policy) and of the consequent commission for himself, and the ease with which he can sell it? The average man or woman is interested in saving, and the agent usually finds it less difficult to sell an endowment policy than a straight life or limited life policy. Some persons who have purchased this form of contract turn a deaf ear to arguments in favor of any other, and would shudder at the thought of setting money aside to create an estate for their dependents after death.

Let us assume that the agent has made a contact with a prospective purchaser. The prospect may be a young man or woman, or middle-aged and beginning to turn gray. Whoever he is, he is interested in saving a certain sum every month or year. The agent takes pad and pencil and begins to put down figures. He speaks of "net low cost" and "reserve" and many other technical terms. The prospect tries to keep pace with him but sadly fails. The sheet of paper is quickly covered with figures; the prospect does not understand them; he grows tired; it is all so complicated. Then the final "push-over" is brought into play—the large annual dividend. The agent remarks, "My dear Mr. Smith, do you realize that the company has paid out some fifteen million dollars in dividends alone to its many policy-holders this year?" This sounds like a lot of money—and it is. But the agent fails to mention on how many millions of policies this sum is paid, and also omits to mention the many hundreds of millions of dollars already paid in as premiums that are not drawing any interest. The prospect is told that on his annual premium of \$48 for a \$1,000 endowment policy he will receive an annual dividend of from \$4.50 to \$8—or an average of more than 10 per cent. He is told that there isn't as safe an investment in the country with as large a dividend, but the agent does not add that the prospect will receive this dividend *only on each annual premium paid*. Holding the agent and the company strictly to the representations they make, we find that other past paid

premiums draw interest only if the policy reaches the date of maturity, and even then the interest amounts to less than 2 per cent.

For example, at the end of the tenth year of your policy at that particular premium of \$48 you have deposited \$480. When you make your eleventh payment of \$48 you receive the handsome dividend of \$6, or nearly 12 per cent. Figure it out for yourself and you will realize what a poor investment you have made as a savings account. You are actually receiving 1 per cent on your gross deposit. The longer the policy is in force, the lower becomes the rate of interest.

Let us now assume that the policy-holder did not use this dividend to reduce his premiums when making his annual payments. The average company will pay 3 per cent interest on the *dividend only*. True, it is compound interest, but the compound interest on the dividend alone is a minor factor when compared to the size of the premium. The technical term "reserve" refers to that portion of the premium paid, over and above the net cost of the insurance. This reserve is set aside in a separate fund, and it is from this fund that the policy-holder can obtain a loan or get a cash surrender. This money—and this "reserve" money alone—is the savings the policy-holder really has. However, should the policy-holder borrow money from his reserve, he is charged 6 per cent compound interest on the loan. If a loan is made on his policy, his insurance is immediately reduced and his premium increased. For example, you receive a \$300 loan on a \$1,000 endowment policy. You are charged \$18 interest for this loan annually, which, paid yearly, increases the \$48 premium to \$66 (less the dividend), and you reduce your insurance coverage to \$700. If you cannot pay the interest each year on this loan, you may continue to pay the original premium of \$48—although you are only insured for \$700—and if the \$300 loan is not returned after one year, your premium remains \$48, less the dividend, but the insurance and the amount of reserve decrease each year at the rate of 6 per cent compound interest on the \$300 loan.

Getting a loan on any kind of life-insurance policy is a greater evil than purchasing the endowment policy itself. Unless you are prepared to repay your loan within the year, *don't borrow on your life-insurance policy*, because you are borrowing your own money and paying 6 per cent interest on it. Would you deal with a bank if, when you had a deposit of \$500 and withdrew \$300, it charged you 6 per cent interest on this \$300 withdrawal? That is exactly what happens when you draw on the reserve of your life insurance. This money is yours; it is taken from the premiums you have paid; it is a sum over and above the cost of carrying your life insurance.

If you must borrow money on your life insurance, then make a cash surrender of the policy to the company and take the entire reserve out, reinsuring on a new policy.

In the long run it will pay to carry the additional premium required by your increased age. The cost will not be nearly so great as the interest charges on a loan on your old policy.

Let us say that you have a \$1,000 endowment policy, ten years old, on which \$300 has been borrowed. What is the wisest course for you to pursue? The average policyholder who has made a loan is usually unable to pay the interest charges on this loan—rarely, if ever, is he able to repay the loan itself. Invariably he deducts his dividend each year, and pays a net premium of about \$40. The proper thing to do, if this policy is to run ten more years, is to apply for a ten-year term policy at the rate of \$9 per year net per \$1,000. (Any physically sound man up to age thirty-five can purchase this form of contract.) After the term policy is issued, cash surrender the original endowment policy; you will then receive an additional cash reserve of about \$75. If you deposit this \$75 in the bank, and each year continue to deposit \$31, at 4 per cent, as religiously as you pay your premium of \$9 annually for the new term policy, at the end of ten years you will have in the bank about \$490, and during that period you will have carried \$1,000 worth of life insurance—all for the price of the original \$1,000 endowment policy with the \$300 loan. By this course you will have accomplished three objectives:

1. You will have carried \$1,000 worth of life insurance instead of \$700—which \$700 was being reduced annually by the interest on the loan.

2. You will have carried the lowest-cost plan of life insurance issued, one in which there is no reserve whatever to be confiscated. (The term policy has no reserve.)

3. At the end of the ten-year period you will have on hand in cash about \$490, and during that period, in the event of your death, your beneficiary would have received both the \$1,000 insurance and whatever cash was in the bank at that time.

Or you may purchase a \$1,000 straight life policy, which costs about \$18 a year net up to age thirty-three. Deposit the difference between the premium on a \$1,000 straight-life policy and one on a twenty-year endowment policy—which will be around \$30 a year—in an industrial bank at 4 per cent interest; deposit it as religiously as you would pay your insurance premium. In twenty years you will have about \$950 in the bank, in addition to which you will have carried \$1,000 worth of life insurance for that period. Moreover, you have a cash reserve of \$300 on the surrender of this policy, if you wish to surrender it. You will have invested no more than the cost of a twenty-year endowment policy. If you have had recourse to a loan during this period, you have simply withdrawn that money from the bank and repaid it at your leisure, at no cost. In the event of death within this period, the insured has two separate estates instead of one: the beneficiary receives \$1,000 from the life-insurance policy, plus the amount of money in the bank.

A great many persons feel that by purchasing an endowment policy they are forced to save. This is true. But though a person is forced to save he is not forced to keep his savings intact. As soon as he realizes that after three years he can get a loan, the "forced saving" idea is lost, and his original purpose is defeated.

The Catholic War on Hitler

By EMIL LENGYEL

THE religious war between the Catholics of Germany and the Nazis has reached a critical stage. The Catholics are in revolt against the Third Reich, which they want placed under papal interdiction and boycotted by their coreligionists throughout the world. The Nazis, on the other hand, want to set up a totalitarian state that does not tolerate a rival God.

Foreign opinion is misled about the gravity of the conflict by the German government's assertion that it wants to have no repetition of Prince Bismarck's famous religious war, *Kulturkampf*, and by the fact that soon after Hitler's coming to power the Vatican concluded a Concordat with the Third Reich. As a matter of record, the *Kulturkampf* is on, and the Vatican has reversed its previous policy toward the Hitler rule. The right wing of the Catholics has lost its influence at the Holy See. The powerful Papal Secretary of State, Cardinal Pacelli, gave notice of this changed opinion not long ago, when he spoke bitterly about the country where "Catholics are pining in fetters."

The most recent move in the war was made by the College of German Bishops at Fulda, which issued what is called a pastoral letter but is in reality a broadside. "From the tomb of the Apostle Boniface, who twelve centuries ago led our ancestors into the light of the Gospel, we address these pastoral words to the German Catholics, that their

souls may be armored against the new paganism." Declaring that the number of the enemies of the Catholic religion has become legion, the letter protests against the persecution of Christian conscience and warns the Catholics of Germany that they "must obey God rather than men!" The main attack on Hitlerism is thus carried on not by those who were expected to lead it—Socialists, Communists, Junkers, dissident Protestants, world Jewry, and the former allied powers—but by the followers of a church which has the reputation of always trying to come to an agreement with the powers that be.

While the Catholics are carrying on their war, the Socialists are squabbling about the united front with the Communists, unable to reach a decision. The Communists have also failed to become a serious menace to the Nazis through their underground organizations, which are too weak to harass the foe in a relentless guerrilla warfare. The revolt of the Junkers has failed to materialize and they are content with having their spokesmen in government positions, renouncing the attempt to get rid of their uncomfortable allies, who have already laid plans to get rid of the Junkers. There was a time when the Protestant dissidents gave hope of reclaiming Germany's good name by staging a Second Reformation, but they can evidently find no new Luther to lead them into battle. World Jewry has given much copy

to the newspapers on what it would do to the Third Reich, but its optimistic claims have not been substantiated. In the United States and in certain other parts of the world many Jews have staged a five-and-ten-cent boycott of German wares, which, however, seems to be less effective than the boycott of the Catholics. "As to the victors of the World War, England met Hitler's breach of the Versailles treaty by concluding with Germany a separate naval agreement which sanctioned the deed. And the present French government is still seeking a common ground with the Nazi Third Reich.

In the early days of the Third Reich, at the beginning of 1933, German Catholics were divided into a conservative right and a progressive left wing. The right wing was chiefly under the influence of the titular heads of the Catholic Center Party, Prälat Ludwig Kaas and former Chancellor Heinrich Brüning, both inclined to be conciliatory. The left wing, on the other hand, was inspired by the policies of former Chancellors Karl Wirth and Wilhelm Marx, who were not only inclined toward reform but ready to cooperate with the Socialists. It was under the influence of Kaas that the Catholic deputies gave their votes to Hitler before the providential burning of the Reichstag. Prälat Kaas also directed the Vatican's German policy, supporting the views of the pro-German Cardinal Pacelli against the anti-German Pope Pius XI, whose twenty months as Papal Nuncio in Warsaw had prejudiced him against the German cause.

Today the situation is entirely different. The Catholics of Germany are definitely more radical, and neither Kaas nor Brüning has much influence. The majority would gladly make common cause with the Socialists and dissident Protestants—some of them even with the Communists—if these potential allies were not too weak to move. German Catholics have reached the conclusion that it is their religious and patriotic duty to resist the Hitler regime, which they regard as that of the anti-Christ. The German nuns and monks whom the Nazi tribunals have sentenced to long prison terms for smuggling money out of the Reich are suffering under the heavy hand of laws that they consider the work of the devil. Parenthetically, these laws may well seem diabolic to nuns and monks who know that the money in question was collected for the Vatican and foreign missionary work.

The spirit of the Roman catacombs is once more alive. Catholics cultivate one another's company, having had sad experiences with so-called Nazi friends who have turned informer and given away the secrets of houses where they were guests. In Berlin they have several meeting places, one of which is a large beer restaurant. They do not have a speaker address them, but sit at separate tables talking in whispers, outlining their future conduct. Large number of Catholics patronize only the stores of their coreligionists. Defying Nazi wrath, Catholic young people put on their uniforms, sing their religious songs, tramp the woods, and often manage to get across the frontier; several groups of them have seen the Pope. Instances have been noted in the Nazi press of Catholic parents who have forbidden their children to give the Nazi salute, which is compulsory for all Aryans. In recent months acts of Catholic sabotage have increased; some of them get into the papers, but most of them are hushed up. In the Rhineland terroristic Hitler Youth organizations have been raided, and squads of Catho-

lic young men and women have defied the police and the Hitler private armies in removing from the walls anti-Catholic Nazi posters—a serious offense.

The Catholics have even their own secret information service on what films to see and what foreign papers to read. One of the most successful films of last summer was "Das Mädchen Johanna," depicting the life of the Maid of Orleans. Catholics frequented it because they saw in its brutal scenes of drunken orgies among Dunois's *Landsknechte* a faithful picture of the orgies of the Nazi mercenaries, and it was their patronage which helped this film to have an excellent run.

The Catholics of Germany march into battle under the leadership of Cardinals Michael von Faulhaber of Munich and Adolf Bertram of Breslau. Cardinal Faulhaber is not only a prince of the church but also an adherent of Crown Prince Rupprecht of the former Bavarian ruling dynasty of the Wittelsbachs. His outspoken sermons draw immense crowds to the Marienkirche, and his voice is heard far beyond the city limits of old Munich. Less spectacular but perhaps even more influential is Cardinal Bertram, an older man, halting of speech, modest of approach, but with a fanatical courage and persistency and a knack of using cutting words. The provincial clergy worship him, and now he is the adviser of Cardinal Pacelli in matters relating to Germany.

The persecution of the Catholics is less open than that of the Jews, but it is almost as virulent. Here is an instance of which I have personal knowledge, among many other similar ones. The victim in this case was formerly an important state official active in the Catholic Center Party during the defunct republican regime. He can prove his Aryan blood by family records and has been patriotic enough to have five children, whose fair hair is additional evidence of his Nordic origin. He spent four years in the trenches, where his distinguished service brought him many decorations and the command of a company. In other words, he has all the qualifications for membership in the new German aristocracy of blood. But the Nazis, instead of rewarding him for his origin, children, and war service, dismissed him from his position and deprived him of his pension on some flimsy pretext. He has barely managed to keep out of jail or the concentration camp. His only crime is that he is a devout Catholic.

A glance at the front page of the *Völkischer Beobachter*, the leading Nazi daily, shows one how desperate is the situation of the Catholics in the Reich. They are referred to as members of the "black international," as *Dunkelmänner*, obscurantists, *Klostergauner* (monastery crooks), or just plain traitors. Posters proclaim the dark doings of "political Catholicism" and call on all right-minded persons to keep an eye on it. In Nazi circles Catholics are usually referred to as "blacks," sharing the pillory with the reds and only slightly better off than the Jews. The main difference between Jews and Catholics seems to be that while the Jews are legally outlawed, the Catholics are outlawed not in law but in fact.

The persecution of Catholics is inherent in the Nazi philosophy. Since their ambition is to build up a totalitarian state in which there is only one *Führer*, one thought, and one will, Nazis cannot tolerate the Catholics' contention that religion does not belong in the sphere of such a state and that freedom of worship is their right. The hatred of the

Nazis for the Catholics also has a historical basis. The Hitlerites like to dwell on the fact that Germany was kept from becoming a united nation by the intrigues of the popes in the Middle Ages, who used the princes and towns to stir up trouble against emperors that were too strong to please Rome's masters. Because of the persistence of these internal quarrels, the Nazi theorists hold, Germany missed its chance of sharing in the partition of the world, when the two strongly centralized countries, Great Britain and France, set out to obtain their places in the sun. Hostility to Catholicism is also motivated by the Nazis' revolt against the influence of Roman culture, which has persisted through the centuries. They want to purge their country of the southern influence and return to the ideals of the pre-Christian Teutonic tribes. Hence the worship of pagan gods and the idolization of the heathen heroes who set their will against the cultural influence of Rome.

But above all the Nazis cannot forgive the Catholics for lending their help to the late Weimar republic, born of the World War only to die after a hectic existence of some fifteen years. The Catholics did, indeed, identify themselves with the republic, partly because they were under the influence of a liberal pacifist, the martyred Matthias Erzberger, and partly because they had never liked the rule of the Protestant Hohenzollerns. Although the Catholic Center Party was never the largest party in the republican Reichstag, it took part in all the post-war, pre-Hitler governments. It gave more chancellors and ministers to the Weimar regime than did the Socialists, although it scored smaller returns in the elections. The Center was the only party that was represented in all cabinets, and this in itself would be sufficient reason for the Hitlerites to hate it. Moreover, the suspicion cannot be rejected that through their attacks on the Catholics the National Socialists seek to obtain possession of their wealth; the wholesale confiscation of moneys belonging to monasteries indicates the trend. The Nazis are short of gold to spend on propaganda and the army.

One of the most implacable leaders of the anti-Catholics is Dr. Alfred Rosenberg, spiritual dictator of the Third Reich and editor-in-chief of the *Völkischer Beobachter*. His principal books, which are on the index of forbidden literature for the Catholic world, are tirades not only against liberalism and Judaism but also against Christianity in general and Catholicism in particular. He sees Christianity as an enemy because its goal is brotherly love, which he finds unworthy of the Teutonic superman. His idols are will and strength, which are not compatible with current religious ideals. As to Catholicism, he sees in its super-national organization a force directly contrary to Nazi ambitions.

Chancellor Adolf Hitler was born a Catholic and he does not openly participate in the fight. Yet, he would not be a dictator if the persecution of the Catholics could go on without his approval. Probably he does not realize the dangers he faces by engaging such an enemy in battle. Even Hitler may find Germany's Catholic population of more than 20,000,000, and the world's Catholic population of more than 330,000,000, too strong an enemy to combat. Already the Vatican has built up an iron ring around the Reich. Prince Bismarck was not strong enough to subdue the Catholic opposition, and it would be surprising if Hitler succeeded where the great Chancellor had to admit defeat.

Finance

For Widows and Orphans

THE story of the New York, New Haven, and Hartford Railroad should be instructive to advocates of a breathing spell for business. Breathing spells ruined the New Haven. Louis Brandeis's fight against the New Haven's transportation monopoly in southern New England was probably the most brilliant liberal crusade in our history. In 1914 the Interstate Commerce Commission recommended civil and criminal prosecution of the responsible directors, and the transit combine was ordered dissolved under the anti-trust laws. The battle seemed won. But the dissolution decree was modified so many times in the courts between 1914 and 1923 to give the road a breathing spell that the decree was finally modified out of existence.

The same evils that Mr. Brandeis fought more than two decades ago reappear in the New Haven receivership. The road is still loaded down with trolley, utility, bus, and steamship properties, many of them acquired at exorbitant prices. If the Senate railroad investigation goes into the subject, we shall probably learn how much of the New Haven's troubles are due to its pre-war expansion. From 1903 to 1913 its capitalization rose from \$93,000,000 to \$417,000,000. But only \$120,000,000 of this increase went into its railroad properties. The other \$297,000,000 was spent outside it. The trolley lines of Providence, representing an investment of \$9,000,000, were bought up by the New Haven for \$24,000,000, and the United Gas Improvement Company of Philadelphia was paid \$10,000,000 more for its Connecticut trolley lines than Charles Mellen, president of the New Haven, thought they were worth. As one financial editor suggested gingerly, a contributing factor in the receivership was "the road's entrance some years back into the trolley business, when that industry really was starting to go into decline." In announcing the application for reorganization under Section 77, Howard S. Palmer, president of the road, was consoling. "The New Haven management," he told the press, "has every confidence in the fundamental soundness of the southern New England territory." It is a pity southern New England cannot return the compliment.

The entrance of the New Haven into the corporate purgatory attracts attention to the condition of Pennroad Corporation. The New Haven went into receivership after the RFC and the PWA both refused it further loans. It already owes \$7,700,000 to the RFC, \$3,428,000 to the RCC, \$7,000,000 to the PWA, and \$16,275,000 to kind-hearted bankers. There had been a forlorn hope that the Pennsylvania Railroad and Pennroad, which own a strong minority interest, would step into the breach and guarantee the loan the New Haven needed to meet taxes and other payments. The relations between the Pennsylvania and the New Haven had been protested by both the ICC and the governors of the New England States. Was not "mutual helpfulness" the excuse for that relationship? No aid was offered. The Pennsylvania now has its own investors to consider, even though it be somewhat belatedly. Pennsylvania Railroad holds 319,925 shares of New Haven. The par value is \$100. Pennroad, Pennsylvania's holding company, has 148,800 shares, for which it paid an average of \$115 a share. New Haven common did sell as high as 8½ this year. It closed at 2½ the day the receivership was announced.

The depreciation of its New Haven holdings is not exceptional in the portfolio of Pennroad. Securities it acquired in thirteen railroads at a cost of more than \$51,000,000 now have a market value of less than \$4,000,000. In addition it has \$91,000,000 invested in the Canton Company, the Detroit,

Toledo, and Ironton, the Pittsburgh and West Virginia, and the Springfield Suburban Railroad. Most of these securities are unlisted. But some idea of their present market value may be obtained from the fact that its holdings in Pittsburgh and West Virginia, acquired at a cost of almost \$38,000,000, now have a market value of considerably less than \$4,000,000. Under the circumstances perhaps Pennroad cannot be blamed for declining to play the good Samaritan. It could use a good Samaritan itself.

ISIDOR FEINSTEIN

Correspondence

Upton Sinclair Hits Back

TO THE EDITORS OF THE NATION:

In *The Nation* for September 25 Benjamin Stolberg adds his name to the long list of those who discuss the EPIC Plan without knowing what it is. Setting out to dispose of the late Huey Long, Mr. Stolberg incidentally and in passing eliminates Upton Sinclair, Father Coughlin, Dr. Townsend, and Dr. Coué, all in his first paragraph. He says: "Upton Sinclair, who is as naive as Dostoevski's Idiot might be in American politics, would End Poverty in California, and elsewhere, by erecting a rag-tag economy within monopoly capitalism, and then wave the rag to frighten the House of Morgan."

The statement that EPIC proposes to erect "a rag-tag economy" was first made in substance by my friend Norman Thomas. I immediately corrected it in a published article and quoted passages from "I, Governor of California," to show that it was the EPIC proposal to use the capital of the state to purchase the *best* land and the *best* machinery and the *best* expert advice, and to put skilled workers at the jobs for which they have been trained, and have them turn out goods for the unemployed on a mass-production basis. In the last EPIC book, "We, People of America," which outlines the national program, every effort possible has been made to avoid this misconception. I quote from page 38:

Twenty-five million people refuse to starve to death, and accordingly we demand that the government shall provide them, not with a dole, not with charity, but with the right to work and the chance to work. By work we mean, not useless work, not fake work, but real work, the work that produces. . . .

They want to do real work, they want to do the best work possible; they want to use modern machinery and really turn out goods wholesale, and when they have produced goods they want the right to consume them. They want to have a system of exchange, publicly owned and controlled. This will require a nation-wide system of production whereby ten million unemployed workers can produce for themselves and their loved ones everything which is needed for a decent and secure life, and then make these goods available on fair and equal terms to all who are willing to help produce them.

My critic adds to the phrase "rag-tag economy" the words "within monopoly capitalism." I am at a loss to understand what this has to do with the matter; for monopoly capitalism is powerless to injure cooperative undertakings, unless it has such a complete monopoly that it can keep the cooperatives from getting any land or machinery. It was the original proposition of EPIC that the State of California should put its credit behind the existing cooperatives of the unemployed and enable them to purchase the best land and the best machinery with which to produce goods for themselves. If my critic thinks that you cannot buy land for cash in California today, let him apply to any real-estate agency in the state. If he

thinks that you cannot buy factories and machinery, let him put an advertisement in any California newspaper.

The proposition of National EPIC is that the ten or twelve million unemployed of the country shall have federal credit put behind them. A large part of the land of the nation is for sale for less than the mortgages, and another large part is already in the hands of the state for non-payment of taxes. Many factories stand idle, many more are running at a loss, and even more are keeping going solely because of the dole, which provides artificial purchasing power for twenty-five million consumers. Monopoly capitalism can do nothing to prevent the unemployed from going to work on this land and in these factories, producing raw materials and goods, and setting up a system whereby these products can be made available to all the twenty-five million. Production for that number of persons is mass-production, and there is no reason in the world why it should not be conducted on a basis of maximum efficiency. If that were done, it would compete with monopoly capitalism by providing for the workers several times as much as monopoly capitalism is paying them in wages today.

I was talking with the manager of one of our California cooperatives just recently, and he said that I was asking for more than was necessary. This expert said: "Give us any one thing and we will get everything else for ourselves." He meant that if the unemployed could get one kind of production, they would turn out goods so fast that they would soon be in a position to buy other means of production for themselves.

There is a curious illustration here in California now. The UXA of Oakland, one of our strongest cooperatives, refuses to take gifts from anybody, even from the United States government. About a year ago it accepted a loan of \$100,000, and with that it bought out an idle lumber company with some timber land and a mill. It has been operating the mill and producing lumber for its 600 members and their families. It is now in position to pay off the government loan with \$100,000 worth of lumber; the government needs lumber for its projects but it dares not take the lumber from the UXA. I asked why, and the answer was: "The relief authorities are afraid of the Lumber Dealers' Association."

That kind of opposition from monopoly capitalism the EPIC movement has indeed to face. That kind of opposition kept us from political success in California last fall. That kind of opposition has to be met by organizing the unemployed and the half-employed and the in-danger-of-unemployment—which means all the workers in America of both hand and brain—to demand the establishment of a cooperative economy for the unemployed, and to stand behind that program with their political, economic, intellectual, and moral power, and see that the job is put through in spite of all influence and sabotage.

Mr. Stolberg concludes his all-inclusive sentence with another clause: "and then wave the rag to frighten the House of Morgan." I have to confess humbly that I am unable to figure out what this clause means, and can only say that it corresponds to nothing in the EPIC program. We are not trying to frighten anybody, and we think that in a crisis such as this only a madman would take pleasure in frightening anybody. We are expounding a simple and common-sense way out of the depression, and we are asking the support of all classes in the country—even of the masters of monopoly capitalism. We are pointing out to these gentlemen that their system is sliding into an abyss. They have twenty-five million dependent people permanently upon their hands, and the process of feeding this number of persons as objects of charity, or by means of imitation or useless work, is leading cities, counties, states, and the nation straight into bankruptcy and inflation. We are explaining to them the manifest proposition that if the unemployed cannot be kept on charity, there is no other way

out except to let them produce what they are going to consume, and thus make them independent and self-respecting citizens once more. We say that to do this will involve no loss to the monopoly capitalists; for the unemployed are no longer of any use as customers—the money which they spend is money which must be given them by the state, and the state has no way to get it except to take it from the taxpayers, among whom are the monopoly capitalists.

To the Socialists and the rest of the "radicals" we say that a production-for-use economy for twenty-five million people is a sufficient experiment station to satisfy even the most radical demand. It is a far more radical demand than ever appeared among the "immediate demands" of any Socialist Party platform. It is a sufficiently large productive unit to get all the benefits of large-scale production in every market. It would include every kind of worker and would occupy the energies of all the intellectuals, liberals, radicals, and progressives of every school, and keep them busy for the next five or ten years at least.

There are persons in the "radical" movement who maintain the thesis that the Russian method of industrial change is the only method possible for any country. I do not attempt to argue with such persons. But for all those who agree with Karl Marx that the American people may be able to find an American way of bringing about the social change, I present the simple plan which has proved its political potency by polling 40 per cent of the total vote in a bitter fight in the third most wealthy and the first most reactionary state of this Union.

Pasadena, Cal., October 20

UPTON SINCLAIR

Inebriety and Illiteracy

TO THE EDITORS OF THE NATION:

The article by Carleton Beals in *The Nation* for October 2 is largely untrue by innuendo and contains to my knowledge at least one base lie. The article states on page 379, "On the evening of the thirteenth Huey . . . became intoxicated." Visiting New Orleans on February 13, 1929 (the anniversary of my birthday), I gave a dinner to sixteen persons, among whom was Governor Huey P. Long. Mr. Long did not drink at all, merely toyed with a highball. I have since asked the people present on that occasion, "Did not Huey Long behave himself that evening as a gentleman?" Everyone answered my question with an emphatic yes.

I have no desire to sum up all the lies of said article, but I feel obligated to make one more statement, in reference to the sentence that "Louisiana is the third most illiterate state in the Union." This was true before Huey Long came into power, but through his success in making education cheap and available to the masses he boosted Louisiana in a few years to the eleventh place. Owing to the peculiar problem of twin languages, of which the mother tongue is not officially recognized, and the difficult swamp country, many Acadians living at the bayous of southern Louisiana fail to hold on to their little knowledge of the three R's, the veneer so proudly paraded elsewhere. But their background of culture surpasses that of more literate neighbors. Their social life is polished, as may be seen in their conversation.

The whole article is an example of the low status of our present-day press. Once, some eight or nine years ago, I received a booklet listing me among the friends of *The Nation*. I have never been a special friend of Huey Long; he would hardly know me if he were alive. I have never voted (having no desire to appear silly), nor have I coveted or ever held a political position.

New Orleans, October 5

JOHN H. BERNHARD

TO THE EDITORS OF THE NATION:

Mr. Bernhard knows perfectly well that I was not referring to his decorous and solemn birthday party—where at least one of the guests merely toyed with a highball—but to the studio party in the Vieux Carré afterward, which is famous in the annals of the state. Full accounts of it may be found in the newspapers of February and March, 1929, and in the sworn testimony of numerous witnesses at the subsequent impeachment investigations in the legislature.

In the 1920 federal census Louisiana ranked second among the states in illiteracy, a proud position it easily maintained in the 1930 census. A survey made in 1933 ranked it third. If any survey of a serious nature has been made since then by state authorities, of which I am not informed, certainly similar surveys have not been made in the other states. Moreover, such a great change could not have been effected in such a short time even if educational facilities had improved and even if all the children in the state had attended school. As a matter of fact, attendance ranks very low compared to that in most states, and Louisiana is still one of the worst child-labor spots in the world. Apparently Mr. Bernhard excludes Negro illiteracy and refers to white illiteracy only. We gladly admit that if other states be denied the privilege of excluding Negro and certain foreign elements from the table, Louisiana can by such unfair legerdemain be ranked eleventh. But the noble Crescent City far surpasses in total illiteracy all the other eighty-six largest cities of the United States except New Bedford with its great numbers of first-generation immigrants.

Louisiana has had two centuries to make the "Cajans" literate or to devise an adequate bilingual education. But I agree that the Acadians are a fine people with a great body of primitive legend, song, and superstition; except for some of the literate ones, I prefer their company to that of the local politicians or the cream of New Orleans society.

New York, October 16

CARLETON BEALS

Democracy vs. Autocracy

TO THE EDITORS OF THE NATION:

America was lately held up as an awful example of the failure of democracy. In a debate in the British Parliament over India, the Bishop of Exeter opposed allowing India any larger measure of self-government, saying that the Indians might fall under the influence of "some great machine," like the Republican and Democratic machines in the United States. He had visited this country, and been shocked by what he saw.

The government of India is really a British dictatorship. A law of long standing authorizes the government to put any one in prison without trial, and hold him there indefinitely. Sir John Anderson, former leader of the "Black and Tans" in Ireland, is governor of Bengal. According to the *India Bulletin*, published in London, he is holding 2,509 young Bengalese in prison without trial, and has kept most of them there for the last six years, under such conditions that many have committed suicide. There are plenty of faults in American democracy, but the evils of autocracy are greater.

Boston, September 20

ALICE STONE BLACKWELL.

Christmas Letter Prize

The Nation's prize of \$25 for the best Christmas Letter was awarded to Sydney Justin Harris of Chicago, Illinois. We thank the many readers who submitted letters in this contest for their interest in helping us to persuade our friends that *The Nation* is an ideal Christmas gift.

Labor and Industry

Fascism Enters New Mexico

By KATHARINE GAY

Aztec, New Mexico, October 22

BIG things happen in little places. This is true of the world's history from the beginning." Judge Simms, defense attorney for the ten Gallup miners accused of the murder of Sheriff Carmichael on April 4, was addressing his final plea for acquittal to twelve farmer jurors in the antiquated little red brick courthouse of Aztec.

Thoughtful persons in the little courtroom realized also that they were witnessing the beginnings—feeble, if you like, but none the less unmistakable—of the spirit of fascism in the United States. It has been apparent in this case from the very start—in the eviction of jobless workers from houses built by their own hands, in the denial of bond to Exiquio Navarro for the "shirt-tail crime" (I quote Judge Simms again) of replacing the furniture after eviction, in the round-up of hundreds of Gallup's poor in the hope of identifying those present at the shooting of Carmichael, in the arming and deputizing of scores of irresponsible men and boys, in the beatings, the terror against women and children, the illegal raids on workers' homes, and the subsequent denial of the right of assembly, which is still in force more than six months after the sheriff's death. At the trial just ended Judge James B. McGhee presided with an excess of nervousness, an armed guard at his elbow. The State of New Mexico was represented by Attorney General Frank Patton and District Attorney David Chaves. At the prosecution table from time to time sat Acting Sheriff "Dee" Roberts of Gallup, star witness for the prosecution and confessed slayer of the workers Ignacio Velarde and Salomon Esquibel. (Esquibel was shot in the back.)

The eight hundred souls in the farming village of Aztec showed a surprising indifference to the trial. The visitors' section of the court, seating only eighty-five, was half empty until the last few days, when high-school students were excused from classes so that they might attend the proceedings. The people of San Juan County were harvesting their apple crop and were unmoved by this tragedy of industrial conflict. Certainly there was no lynch spirit abroad although there were efforts to whip it into flame. Floyd D. Painton, former baker, carpenter, undertaker, and now minister of the Baptist church, did his best to start a "red scare." He is the regional organizer for the United American Patriots, a violently anti-Communist organization originating in Atlanta, Georgia. The secretary of the U. A. P. for Gallup, a Miss Sabin, acted as clerk of court during the trial. Assistant District Attorney Claude Smith of Aztec worked himself into a frenzy of terror at the reported approach of a "red army," marching on the town across one hundred miles of uninhabited, waterless desert—the only approach to Aztec from any direction. Judge McGhee believed this rumor and reported to defense attorneys that the march had been organized by the reporter for *The Nation* and by Sue Adams, correspondent for the *Federated Press*. The army did not materialize however and we were grudgingly allowed to remain at the press table.

At the end of the trial it became clear why these rumors had been started and why there was such a show of armed force—barbed wire around the jail, bloodhounds, machine-guns, tear-gas bombs, and nine state police in addition to the flock of deputies from Gallup. The state's case against Juan Ochoa, Manuel Avitia, Leandro Velarde, Augustin Calvillo, Rafael Gomez, Jo Bartol, Willie Gonzales, Serapio Sosa, and Gregorio and Victorio Correa was surprisingly weak. The charge of rioting resulting in the death of an officer had been virtually abandoned by the state since the preliminary hearing in April, and six theories were presented in the bill of particulars, which charged that the defendants were (1) accessories to assault with deadly weapons; (2) accessories in the unlawful killing of Sheriff Carmichael; (3) engaged in perpetrating a felony in assisting a prisoner to escape; (4) conspiring to liberate a felon; (5) conspiring to make an assault with a deadly weapon; (6) conspiring to murder Carmichael. Testimony presented by the prosecution utterly failed to establish conspiracy but did make it clear that the defendants and their friends had held an orderly meeting of the unemployed local of the miners' union on April 3, the day before the shooting, and had elected a committee to call on Carmichael for permission to see the prisoner Navarro, who was being held without bail and without advice of counsel in the county jail. Testimony showed that Carmichael had told the committee that they could see Navarro after his hearing before Justice of the Peace Bickel on the morning of April 4. Hence the crowd of men, women, and children who gathered in front of Bickel's office that morning seeking admission to this hearing, which was in the nature of a test case for others who might also attempt to reenter their homes after eviction.

The crowd was illegally excluded from Bickel's office—an ordinary business office with plate-glass windows on the street. Navarro was granted a postponement for the purpose of engaging an attorney. But this was not explained to the crowd outside. He was hastily rushed out through the back doors of the office behind a screen of officers and taken fifty feet down a back alley through the protesting crowd before Carmichael fell dead, shot by a bullet from a Smith and Wesson forty-five, double-action automatic pistol. This type of gun was carried by one deputy only, Hoy Boggess, who was knocked out after throwing a tear-gas bomb into the thickly packed crowd of workers. His gun disappeared and has never been recovered. Navarro took to his heels and is still at large.

Dee Roberts repeated the story he told at the preliminary hearing. He said that he had turned after the first shots and had seen two workers, Ignacio Velarde and Salomon Esquibel, firing in his direction and had shot and killed them both. Esquibel died later in the hospital shot through the small of the back. Several other workers were wounded and Deputy Bobcat Wilson was shot through the chest, but no guns were found on any members of the crowd or on Esquibel or Velarde. The only weapon the state was able to

produce was a small, light wooden billy, which it was claimed was taken from the hands of Augustin Calvillo as he ran out of the alley.

The state attempted to indicate that Leandro Velarde, brother of the dead Ignacio, had stabbed Hoy Boggess with an ice-pick. But testimony to the effect that he had returned to his home on the fatal morning and put an ice-pick in the refrigerator was left uncorroborated when District Attorney Chaves failed to establish that Boggess or anyone else had received an ice-pick wound. Defense attorneys successfully blocked the state's request that Boggess be recalled for this purpose. Uncorroborated testimony was given by a Spanish deputy that Leandro had raised a weaponless right hand as the officers entered the alley and had said in Spanish: "Now you shall see something, you disgraced ones!" which was twisted in the state's argument to mean, "Now you shall see a disgraceful thing!" This constitutes the evidence against Leandro Velarde.

Sherman Porter, a man of thirty-one, for sixteen years employed by the Gallup American Coal Company, testified that he had seen Manuel Avitia, an exceptionally short man, pull a gun from his belt and rush through the crowd toward Carmichael and run out again after the shooting. On cross-examination he admitted that there were some fifty or sixty people standing between him and Avitia in a sixteen-foot alley and that the crowd was so thick that he could see only the heads of the officers. He insisted, however, that he had been able to see Avitia down to the waist. He did not see him fire the gun. This is the only testimony against Avitia that could be construed as damaging and it is wholly uncorroborated. Avitia admits picking up a warm gun from the ground near where Esquibel lay and starting out of the alley with it, when it was snatched from his hand by someone in the crowd. No gun was found on Avitia as he stood near the alley entrance five minutes later.

There is no state's testimony against Juan Ochoa except the uncorroborated statement of Dee Roberts that he saw Ochoa and Avitia kicking Boggess *after the shots*, and that as the officers entered the alley, Ochoa brandished a hammer at him. The defense argues that any man in that crowd who had made a motion in the direction of four armed and excited officers would unquestionably have been shot at once. Ochoa presented three witnesses to testify to his presence in front of Bickel's office until after the fatal shots had been fired.

The failure on the part of the state to call Bobcat Wilson as a witness can only be explained by the certainty that his story would not have agreed with those of the other officers. Wilson was not knocked out. He was conscious and active through all the excitement and confusion. Did Wilson see Boggess lose his head and fire blindly toward the sheriff, or was it Wilson himself who made that fatal mistake? Guns, after all, can be swapped between deputies, and stories made to fit.

For six of the defendants, Jo Bartol, Victorio Correa, Gregorio Correa, Serapio Sosa, Willie Gonzales, and Rafael Gomez, no defense was offered, since the state had failed even to attempt to prove anything beyond their presence in the alley. The jury brought in a verdict of not guilty for these six and also for Augustin Calvillo, the soft-voiced little Jalisco Mexican who, although his three alibi witnesses had all been deported to Mexico before the trial, was able to con-

vince the jury of his innocence by the simple honesty of his own words on the stand. Though all the defendants requested instruction of the jury by Judge McGhee in first-degree murder (predicated on a killing during the attempted liberation of a prisoner) or acquittal, the judge instructed also in second degree; and Juan Ochoa, Manuel Avitia, and Leandro Velarde were found guilty on this charge with a recommendation of clemency. They were sentenced to from forty-five to sixty years at hard labor and have already taken an appeal. Bond was set at \$25,000 each.

This case, though conducted as a murder trial, was in no sense a straight criminal case. Back of the incidents in the alley on April 4 lies a long history of struggle for betterment of living and working conditions among the Gallup miners through their leaders Exiquio Navarro, Salomon Esquibel, Juan Ochoa, Jo Bartol, and others. The Gallup American Coal Company, whose domination can be uncovered in the testimony of practically every one of the twenty-five prosecution witnesses, is determined at all costs to rid Gallup of its militant workers. It has succeeded for the time being. For even in the case of the seven men who were acquitted a second charge of aiding and abetting a prisoner to escape has not been dismissed by the vindictive Chaves, but is held as a club over their heads by Judge McGhee, to be used if they fail to keep their promise never to return to Gallup.

Back of the evictions of blacklisted strikers from their homes in Chihuahuita, back of the terror and the abrogation of all civil liberties now in force in the evil little mining town, back of the kidnapping and beating of Attorney David Levinson and Robert Minor, when on May 2 they attempted to interview witnesses for the defense, stands the corporation without which Gallup would cease to be anything but a coaling station for the Santa Fé Railroad. These facts, true beyond any necessity of proof, were not brought out in the present trial.

From June 4, when Judge Miguel A. Otero was disqualified by the District Attorney, until August 14, when Judge J. B. McGhee was appointed to sit in the case, defense attorneys were without a judge before whom to take various legal steps necessary to the preparation of their case. McGhee again and again refused a continuance to permit the active participation of Colonel William J. Donovan of New York as chief defense counsel. Attorneys Hugh B. Woodward and John Simms, two leading criminal lawyers of New Mexico, were, it is true, appointed by the court, but were given only two weeks' time in which to prepare their extraordinarily brilliant defense. These men are not labor lawyers and with the shortness of time allotted them were not equipped to bring out from a multitude of Spanish-speaking workers the true nature of the case.

As a result the jurors, small farmers remote from the industrial struggle, may well have been mystified when the frightened Judge McGhee, on the day of sentence, after throwing Ochoa's young wife into jail for signing a protest, and issuing warrants for a number of others on the same charge, indulged in a tirade against "Communists, reds, radicals, and anarchists" (he forgot the Socialists), and announced to the prisoners that, though many people had demanded that they be set at liberty, "many more and larger bodies of American citizens have demanded your execution without trial."

High Tide at Atlantic City

By JULIUS HOCHMAN

WHEN William Green opened the recent convention of the American Federation of Labor with the lofty words, "We are not here assembled for the purpose of considering the sordid material things of life but of dealing with intangible human values," little did he, or, for that matter, the assembled delegates, realize that he was standing on a powder-keg. The explosion did not come until the second week of the convention, when John L. Lewis attacked the National Civic Federation, forcing Mr. Woll to run for cover. From this moment until the final round on Saturday night the administration forces were given scarcely a chance to breathe. At last the fight was in the open. No longer did the opposition express itself in low whispers in the lobby and around the tables in the convention hall. Their protests became loud and forceful, and they kept their opponents groggy, on the defensive.

Lewis followed up his opening blow by bluntly attacking the Executive Council, of which he is a member. He took the officers to task for their inaction on 78 of 102 mandates given them by the 1934 convention. He charged the council with lack of good faith in not carrying out that convention's unanimous decision favoring vertical organization in mass-production industries. Craft unionism has brought us a "record of twenty-five years of constant, unbroken failure," he said.

Although in numerical control of the convention, the officials were thrown into confusion. They were forced to retreat on their red-baiting amendment, to give up open-shop advertising in the *Federationist*, to allow full discussion on a labor party. The resolutions calling for boycotts on Nazi goods and the Olympics and condemning the Fascist invasion of Ethiopia by a "notorious dictator" had punch to them. Mr. Dubinsky's resolution for a constitutional amendment to allow Congress to enact social legislation, which in the absence of progressive delegates had been tabled by some Republican leaders, was rescued. This resolution had been unanimously approved by the Resolutions Committee, but Messrs. Woll and Frey, who had never before failed to defend against all comers a report from their committee, had allowed it to be tabled.

Last year the A. F. of L. approved the principle of industrial unionism for the cement, aluminum, rubber, and automobile industries. But what was indorsed in principle was soon forgotten in practice. "At San Francisco I was younger and more gullible," said Mr. Lewis. With a maiden-like smile, he added, "They seduced me with fair words." Neither Mr. Lewis nor Mr. Howard nor any other leader of the industrial-union forces intends to be tricked again. They know now that the Executive Council can—and does—place its own interpretation on convention decisions. They are prepared to lead the battle for a modern, twentieth-century form of unionism in the country's mass-production industries. In the first two industrial skirmishes the craft unionists won—but their opponents gained 38 per cent of the vote, and the war has just commenced.

Twice during the convention the question of industrial unionism came to the fore: first, when the Resolutions Com-

mittee brought in a majority report asking continuation of the San Francisco decision, and a minority report for industrial unionism; secondly, in the jurisdictional battle between the smelter workers and the metal trades. The debate was the bitterest and most acrimonious in the long history of the federation. Advocates of industrial unionism stated their case frankly and openly. "We refuse to accept existing conditions as evidence that the organization policies of the A. F. of L. have been successful," declared the minority report. "The fact that it has won only 3,500,000 workers out of 39,000,000 after fifty-five years of activity . . . is a condition that speaks for itself." The report concludes: "Continuous employment, economic security, and the ability to protect the individual worker depend upon organization along industrial lines."

In speaking for the minority Mr. Lewis referred to the 21,000 captive coal miners locked out in Alabama. He went on to explain that his interest in organizing the steel industry was "selfish because our people know that if the workers were organized in the steel industry and collective bargaining there was an actuality, it would remove the incentive of the great captains of the steel industry to destroy and punish and harass our people who work in the captive coal mines."

Unable to present any cogent arguments, the craft leaders evaded the issue. They based their case on two points: (1) many crafts have been in continuous existence since the Civil War, and therefore must be good; (2) the federation should uphold the sacredness of age-old contracts granted its affiliated unions. When it came to the smelter workers, however, the craft advocates repudiated the jurisdiction granted them by Samuel Gompers and the 1911 convention. One of the tensest moments of the convention came when Peterson, a smelter worker, accused the metal trades of "scabbery." To this accusation, Mr. Frey took objection.

FREY: The point of order is that the delegate charges a delegate to this convention with scabbing.

PETERSON: I said the organization that you represent.

FREY: With scabbing?

PETERSON: Yes.

Amid laughter Mr. Frey later admitted being put out of a strike meeting in Butte with "that same customary Western courtesy" to which he was accustomed.

So insistent were the progressives that even the delegates from the federal locals had to be permitted to state their cases and record their grievances, although it took a well-aimed punch to Mr. Hutcheson's nose to gain them the floor. However, their time was limited and there was much of importance which they could not say. I had the opportunity to meet and talk with these delegates, and there can be no doubt as to their sentiment. They want organization, but it must be along industrial lines. They are eager to stay within the A. F. of L. but they are just as determined not to surrender a single member to the craft unions. From the floor of the convention they echoed Mr. Lewis's warning against any craft-union plans of "imperialistic expansion"; and privately they expressed themselves in even more emphatic terms.

Matthew Woll, in a recent book, claims that "the A. F. of L. does not attempt to dictate in any manner the form and structure of its affiliated organizations." This particular sentence needs revision, according to representatives of the automobile and rubber workers' unions. Not only did the Executive Council, through William Green, attempt to dictate "the form and structure" of their newly formed internationals, but it told them whom to elect as their presidents. In direct contradiction of the San Francisco decision, the new auto workers' international has been denied jurisdiction over machinists, tool and die workers, painters, metal polishers, and electrical workers. What does this mean? "When members of our union are told to join one of these craft unions they drop out altogether," one delegate told me. "Unless we are given a genuine industrial union, we are sunk."

It is the same story in rubber, in radio, in aluminum, in cement. Delegates from the rubber workers, who were kept from the floor by a parliamentary move, told me how impossible it was to organize except on an industry-wide basis. In 1933 the rubber unions turned craftsmen over to their respective internationals, and the crafts failed to hold them. A little over a year ago the rubber workers' union had 40,000 members; a few months ago it had 4,500. Such is the result of a policy which allows the craft unions, to quote Lewis again, "the unrestricted right to take their members where they find them and flit from flower to flower while they sip the honey."

Perhaps the case of the 8,000 Philco workers in Philadelphia will illustrate exactly what has taken place in the minds of the newly organized. With the advent of the NRA the desire for organization swept over them, but when they asked some craft unions for aid, they were given the cold shoulder. The internationals were not interested. These workers were unskilled, their wages too low for them to pay the initiation fee and dues. The workers, however, succeeded in obtaining a federal charter, apparently with the consent of the interested internationals. The new local called a strike, which was settled after a few days. The workers won a collective agreement which provided a closed shop, a thirty-six-hour week, and substantial wage increases. No sooner was this accomplished than the carpenters and electricians came "sneaking in like thieves in the night," as Bittner, of the miners, put it, to make their jurisdictional claims. The workers refused to dismember their organization and continued to clamor for an international charter. To date it has been refused them. After the breakdown of the NRA the workers asked for a union label which would give the firm an advantage over unorganized competitors. This, too, was refused when one of the crafts objected.

It is hard for these workers to understand why they cannot get an international charter—why they should not be permitted to organize this new industry. The leaders insist that under no circumstances will they give up any of their members. The workers have a letter from Philco in which the company promises to respect its contract but insists on dealing with one union, and not half a dozen.

Industrial unionism has made great strides since 1933. Of the million workers who have entered the federation in the last two years, 65 per cent have joined this type of union, 22 per cent have joined craft unions, and 13 per cent have entered local trade and federal unions. Further analysis of membership figures shows that the thirty-three industrial

unions have, during the same period, increased their own membership by 75 per cent, that seventy-six craft unions have increased theirs by 13 per cent, and that the federal unions have gained 146 per cent. Clearly, the future of the American labor movement belongs to the industrial unionists.

The fifty-fifth convention of the A. F. of L. will long be talked about. An opposition was born at this convention that will ultimately change the character of the American labor movement. This opposition centers around the question of industrial unionism. Such an important and vital issue cannot and will not be settled by resolutions alone. A change of policy must inevitably bring with it a change of personnel in the federation's council. The present administration is fully aware of this. When the chance came to elect a new vice-president, William D. Mahon, a street railwayman, and a pillar of craft unionism, won out over Mr. Howard for the seat vacated by Berry of the printing pressmen, whose organization voted with the industrial unionists. Thus the craft units have strengthened their forces on the council.

The progressive ranks will grow during the next few years, and as they grow, new issues will be brought into the struggle. How long this fight will last, no one knows. One thing is certain. There can be no retreat.

[Heywood Brown will be absent from New York for several weeks. His regular articles in *The Nation* will be resumed on his return.]

Contributors to This Issue

MURRY LEVINE is employed by the Emergency Home Relief Bureau of New York City as insurance adviser in one of the city's precincts. His article is a chapter from a book which he is writing to teach people what to buy in life insurance.

EMIL LENGVEL is the author of "Hitler," "The Cauldron Boils," and "The New Deal in Europe."

ISIDOR FEINSTEIN is an associate editor of the *New York Post*.

KATHARINE GAY is secretary of the New Mexico branch of the American Civil Liberties Union.

JULIUS HOCHMAN is vice-president of the International Ladies' Garment Workers' Union. He was a delegate to the Atlantic City convention of the A. F. of L.

RUTH BRINDZE is the chairman of the Consumers' Council of Westchester County, New York, and the author of "How to Spend Money."

MARK VAN DOREN is well known to *Nation* readers as critic and poet.

LIONEL TRILLING is a member of the English Department of Columbia University.

PAUL SCOTT MOWRER was a war correspondent in France during the World War, later was foreign correspondent for the *Chicago Daily News*, and is now associate editor of that paper.

STERLING D. SPERO, coauthor with Abram L. Harris of "The Black Worker," was a member of the research staff of the Twentieth Century Fund which prepared "Labor and the Government."

Facts for Consumers

[Twice a month The Nation will publish a page of information of interest and benefit to consumers. The material, collected by Miss Ruth Brindze, will in general be selected from reports and judgments issued by various government bureaus or by the Federal Trade Commission.]

THE Marmola case, one of the worst in the history of consumer exploitation, is about to be revived by the Federal Trade Commission. Five years ago the United States Supreme Court acknowledged that Marmola, a "cure" for obesity, was a dangerous drug, stating in its opinion that "the findings, supported by evidence, warrant the conclusion that the preparation is one which cannot be used generally with safety to physical health." Yet it held that the Federal Trade Commission could do nothing because there was no proof that Marmola had any competitors who were entitled to protection.

Now the commission believes that it has sufficient evidence of competition and it has again issued a complaint against Marmola. The Raladam Company, owner of the obesity "cure," is resisting the action on the grounds that it has no competitors "of the kind or character entitled to be protected," and that the proceedings have been brought for the purpose of protecting the medical profession. One of the ingredients of this obesity cure is desiccated thyroid, a substance which the F. T. C., backed by medical opinion, maintains should not be used except on prescription. No hearings have yet been held, and it will probably be years before the case is adjudicated.

In the meantime the F. T. C. is proceeding against some of the competitors of Marmola. Representations that Kruschen Salts is a cure for obesity will be discontinued unless the Supreme Court overrules the decision of the Circuit Court of Appeals. The proprietors of Carlsbad Sprudel Salt, another saline preparation, have been ordered to cease and desist from advertising it as "the safest and sanest remedy for surplus fat."

* * *

ADVOCATES of grading for consumer goods chalked up another victory last month when Schenectady ruled that all meat on the retail market must be graded and stamped according to the standards and regulations of the United States Bureau of Agricultural Economics. Schenectady is the second city to require government grading of meat; Seattle was the first, and because of its apparent success in keeping up demand, other cities may be induced to follow suit. Reports from Seattle indicate that since the inauguration of the grading service meat consumption has fallen off less than in other cities.

This may convince the packers and meat dealers that there is a real value in the grading and stamping service. Established in 1927 by the United States Department of Agriculture, it has heretofore benefited consumers little, although large-scale buyers have regularly based their buying on the government grades. Grades have now been established for beef, veal, lamb, and pork. The three top grades for all but pork are prime, choice, and good. For pork the designations are No. 1, No. 2, and No. 3. A roller stamp is used for the grade marks, which, preceded by the letters "U. S.," appear on every cut. The cost of grading is borne by the dealer and amounts approximately to 1/80 of a cent per pound.

* * *

ATTEMPTS to remove spots from clothing and furnishings by means of "ringless" cleaners, for which superlative claims are made, all too frequently result in ruining the article. Persons who use dry-cleaning fluids in the home should note the following actions by the Federal Trade Commission:

The Keelow Laboratories have agreed by stipulation to discontinue advertising that Foamol will "clean without work" and that it "will leave worn articles as fresh and full of wear-resisting vitality as when brand new"—both impossibilities according to information supplied by the Bureau of Standards. The bureau also declares that Foamol is explosive.

The Pyrene Manufacturing Company and X Laboratories, Inc., distributors of X Odorless Dry Cleaner, are charged with misrepresentation in claiming that their cleaner will remove grease and other spots without injury to fabric or color. A similar complaint has been issued with regard to claims made for Rid-O-Spot by the Westphalia Manufacturing Company, Inc., and the Poly Chemical Laboratories, Inc.

Clean Home Products, Inc., will change the label on its product, Paris Dry Cleaner, and hereafter desist from making any representations that the liquid will not cause a stain. The Wonder-Mist Polish Company will discontinue statements that its product, Wonder Mist Fabric Stain and Spot Remover, "disappears from the fabric without leaving a trace," which, according to the stipulation, is not true. Similar claims for Grady's Fabric Cleaner will be discontinued by the Grady Manufacturing Company.

* * *

THE fur is flying in the fur trade because of a new process which is purported to make fur garments water repellent. The discovery of the process was advertised at the psychological moment, just when customers were beginning to take fur coats out of storage. Herman Friedlander, fur editor of *Women's Wear Daily*, cynically remarks that "it gives the stores an opportunity to get some additional business from coats that otherwise would be just so much dead weight in storage." There are some furs, notably beaver and nutria, which tend to curl after a wetting. This has long been considered a disadvantage both by the trade and by consumers. If some method were developed of preventing curling it would certainly be valuable. The new process, however, has not been "perfected" for beaver and nutria, but can be applied only to furs which no one has ever before noticed were adversely affected by rain.

L. Bamberger and Company, of Newark, was the first store to advertise this new service. It was closely followed by retailers in Philadelphia, Boston, and New York. The retailers, however, have been careful to qualify their statements on the efficacy of the new process. R. H. Macy and Company, of New York, advertise: "We're offering this service without a particle of guaranty beyond our usual promise of sound, proper care of your furs." This should be sufficient to put the buyer on his guard, but of course it is buried in an advertisement that describes how six coats were tested by playing a lawn hose on them for thirty minutes.

* * *

AN all-year-round closed season has been ordered by the Federal Trade Commission on fanciful names to describe rabbit, coney, muskrat, and other lesser members of the animal kingdom. From now on, the correct name of the fur should appear as the last word in the description immediately preceded by any dye or blend used to simulate another fur. Thus:

Formerly Used	Now Required
Sealine	Seal-dyed rabbit or coney
Hudson seal	Seal-dyed muskrat or Hudson seal-dyed muskrat
Mendoza beaver	Beaver-dyed rabbit or coney
Leopardine	Leopard-dyed rabbit or coney
American broadtail	Processed lamb
Marmink	Mink-dyed marmot
Bering seal	Seal-dyed rabbit or coney

RUTH BRINDZE

Books, Drama, Films

Our Critics, Right or Wrong

II. The Anti-Intellectuals

By MARY MCCARTHY and MARGARET MARSHALL

IN 1927, when, as we have seen, literary critics were massed in a fraternal cheering section for the genius of Louis Bromfield, and the Wilder cohorts were already climbing into the stadium, Alfred Knopf found it necessary to insert a peculiar advertisement in *Herald Tribune Books*. He was, at that moment, presenting the English translation of "The Counterfeiters," by André Gide, and he took the occasion to protest against the previous reception of the eminent Frenchman's works:

Gide's earlier books—three of his fictions and a study of Dostoevski have been published in English—have had to face an almost complete indifference in America. "Strait Is the Gate" ("La Porte Etroite") . . . has been available for three years; "Lafcadio's Adventures" ("Les Caves du Vatican") was published here in 1925. Neither book has as yet made any great impression on the American reading public if sales are . . . an indication.

Mr. Knopf has so far succeeded in selling 10,000 copies of "The Counterfeiters," and the Modern Library has sold another 7,000. Meanwhile A. and C. Boni report that up to the end of 1934 they had disposed of 293,360 examples of "The Bridge of San Luis Rey." For situations of this kind the big-time critics are more than half responsible. While it is true that "The Bridge of San Luis Rey" was probably a more suitable tenant for the suburban book table than "The Counterfeiters" would have been, it is at the same time clear that had Gide received one-third the adulation that Wilder did, his works would have been more widely disseminated in America. The critics, in general, have so exhausted their vocal cords howling for second- and third-rate talents that major works are by comparison neglected. This is not to say that the critics actually denounce good books. Even the average critic, confronted with a first-rate work, however baffled and antagonized he may be, will not fall into that error. He may pause long enough in his simple-hearted enthusiasm for second-rate novels to say that André Gide, an important French writer, has written a book which must be important; but his brief and perfunctory tribute to genuine talent is immediately washed out of mind by his warm and repeated outpourings over the latest "February Hill" or "Constant Nymph." Sometimes, however, he actually deprecates major works. Thus the critic of the *Living Age* wrote of "The Magic Mountain":

This unregenerate reviewer cannot honestly say that he was deeply interested in the scarce adventures and incessant ruminations and discussions of a boring young German confined for seven years in a tuberculosis sanitarium. Yet even one on whom the book's alleged power was lost could distinguish its merits.

Isabel Paterson's comment struck much the same note:

Admirers of Thomas Mann's "The Magic Mountain" claim defiantly that appreciation of it is in the nature of an intelligence test for the higher ranks. They say it con-

tains a new philosophy of society. Missing that, I could find in it only a rather long elucidation of the psychological reactions of a group of consumptives in a Swiss sanitarium.

Herschel Brickell wrote of "The Counterfeiters" with a similar air of faint, condescending distaste.

At bottom it is a story of homosexuality and has been freely expurgated for American readers. M. Gide's position in the present world of European letters gives the book importance.

Mr. Brickell and Mrs. Paterson are, as a matter of fact, typical of one group of front-line critics, a group too amorphous to be called a school, as intensely personal as a social clique, a group whose most notable characteristic is its militant anti-intellectualism. At the head of this group is Burton Rascoe; its house organ is *Herald Tribune Books*, over which Irita Van Doren presides; its club is the Literary Guild. Carl Van Doren, mainly because of long association, appears as its benevolent president emeritus, though intellectually he ranks far above the rest. He was in fact an important and serious critic until he turned literary business man and as editor-in-chief of the guild set about throwing down "the barrier between books and readers." Joseph Wood Krutch, whose name also comes to mind, does not, in any important respect, belong with this group, but he was a member of the board of editors of the Literary Guild until it was bought by Doubleday, Doran, and though the new guild has no nominal editors he continues occasionally to write for *Wings* a brief introduction to the current selection. In the issue for September he enlarged upon the subject of Hugh Walpole's "readability" and remarked about contemporary novels in general:

We are frequently told that they are tremendously "important" or profoundly "significant." Almost invariably they also "reveal conditions" and very frequently, at least, they "illustrate the working of social forces." . . . Yet surely . . . one of the first requirements of a good novel is just the kind of readability which is so conspicuous in "The Inquisitor."

It was also Mr. Krutch who wrote for *The Nation* an enthusiastic acclaim for "The Green Hat." On the other hand, he was among the first of the critics to applaud "Strait Is the Gate" at the time of its publication and he has done valuable service in clarifying the work of Thomas Mann for the American public.

But around Mr. Rascoe revolve Mrs. Paterson and Mr. Brickell, two stars of lesser magnitude, accompanied along their orbits by a score of small, half-anonymous satellites. For this group literature must be "exciting," history and biography must read like fiction, and fiction must above all be entertaining and easy. Like the man on the street who rails against professors, this critical brotherhood pipes its complaint against the great men of letters. Unequipped to deal with complicated artistic or intellectual

problems, they instinctively resist them and affect to despise them. They write rave notices of second-rate, untaxing novels and send lists of the classics they have *not* read to *Books* and to *The Nation*. They plug their favorite writers, applaud one another's efforts, and bolster one another's opinions at literary teas.

Their pace-setter, Burton Rascoe, like William Lyon Phelps, deals in ready-made superlatives. We have already recorded his predilection for Thornton Wilder. We submit these further examples of his ebullience:

That wise and witty book [James Branch Cabell's "Jurgen"] I consider to be among the world's masterpieces of imaginative literature.

My impression is . . . that this book ["Lo!" by Charles Fort] may or may not be one of the great books of the world, and that, since at the moment I am convinced that it is, it is high time, to use the Fortean formula of skepticism, for me to begin to doubt it.

. . . an obvious masterpiece [T. S. Stribling's "Bright Metal"].

Mr. Deeping has some of the old narrative charm of Anthony Trollope.

"Never Ask the End" [by Isabel Paterson] . . . to me is superior to anything Virginia Woolf ever wrote.

Burton Rascoe writes [said Isabel Paterson in her *Turns with a Bookworm*]: "If you see me walking down the street with a sandwich board, it won't be what you think; the sign will urge everybody to read 'One More Spring.' It is heartbreakingly beautiful. It is as biting in its satire as Anatole France's 'Crainquebille' . . . and it is unlike any other book except another book by Robert Nathan and so far it is his masterpiece. Couldn't we get a couple of megaphones, and you go to Penn Station and I'll go to Grand Central and shout at people that 'One More Spring' will save their lives?"

Now, in 1935, his literary enthusiasms are still undisciplined. On October 6 in reviewing "Some We Loved," by Edward Harris Heth, he wrote in *Books*:

This is a most unusual novel. They tell me the author is in his early twenties. It is strange that he should have reached a greater maturity than Henry James possessed when he (Henry James) was applying for citizenship papers so that he might die a subject of Great Britain. . . . Let us not say that he is a genius. To say that may be very bad for him—if he isn't. . . . Mr. Heth has learned much from Eugene O'Neill. He has learned something from Virginia Woolf. But he has a fortunate talent of his own which must make him a creature of the pen who should be watched with that eagerness we bestow upon exceptionable [sic] ability.

Mr. Rascoe is much concerned with "humanizing" literature. In the course of performing his self-appointed task he sometimes finds it necessary to "debunk" famous literary men:

["The Divine Comedy"] is no more worthy of admiration than a carved replica of the battleship Maine assembled inside of a bottle. . . . To read the "Inferno" through at a sitting is actually an experience so distasteful as to make a sensitive person actually ill. . . . Let the English critics . . . turn from the pathological nastiness of Dante to the sweet, serene, human heart of Ariosto; . . . ["Titans of Literature."]

Henry James . . . did have a certain undefined, unapprehended groping toward form; and in "Daisy Miller" and "What Maisie Knew" he wrote two novels almost as profound as "Gentlemen Prefer Blondes." ["Titans."]

Mr. Rascoe has been writing this kind of criticism for a long time, and for an immense audience. For years he wrote a column of literary comment which was syndicated in 400 daily newspapers. Sections of it were subsequently published in "The Bookman's Daybook." In addition he fathered "Titans of Literature" in 1932 and "Prometheans" in 1933. Particularly for the first, Mr. Rascoe received high praise from his literary intimates. Of "Titans" Herschel Brickell wrote in *Books*: "Mr. Rascoe has written a book of enduring value, which stands alone in its combination of scholarship with zest, wit, and humanness." "Lively learning," Carl Van Doren called it, "the most pleasant thing a book can have . . . this is just the sort of book that was needed." Isabel Paterson set it down in her column as "the liveliest, most persuasive, most personal work of the kind since Georg Brandes's 'Main Currents in Nineteenth Century Literature.' . . . It has the singular distinction of being completely modern because it is written from the classical point of view . . . free of the jargon of the critical trade . . . but with no respect whatever for the clichés of pedantry." William Soskin said that ". . . it has the natural, spontaneous, honest emphasis of the free man in a world made dull by polite, timid, and dim-witted professors."

It was a professor, however, who politely but bravely suggested that Mr. Rascoe's "lack of pedantry" was practically synonymous with what is called ignorance in other circles. Professor Harvey W. Hewitt-Thayer of Princeton, in a letter to the editor of *Books*, granted Mr. Rascoe the right to his unconventional opinions but begged leave to cite a few errors in *one* chapter, that on Goethe. According to Professor Hewitt-Thayer, Mr. Rascoe had made ten errors of fact in three pages, capping what was no doubt a "lively" account of Goethe's life with two elementary mistakes, one as to the date of Goethe's death and the other as to the age at which he died. The next year, when "Prometheans" appeared, even Mr. Rascoe's best friends felt it necessary to tell him it was not a masterpiece, though they broke the news gently by saying merely that it was not as good as "Titans." "It is immediately apparent," wrote Mrs. Paterson, "that 'Prometheans' is vastly inferior to 'Titans.'" Mr. Brickell, back at his old stand in *Books*, was milder.

Speaking as one who finds Burton Rascoe among the most consistently entertaining writers alive today, I hasten to announce that the nine essays . . . are good and exciting reading . . . but [the book] is not nearly so well balanced or so complete [as "Titans of Literature"] . . . not so staggering a feat of apparent omniscience. . . . In general there are fewer minor errors.

So Mr. Rascoe remains influential. In the *Herald Tribune Books* he seldom rates anything less than the first page. His sister in criticism, Isabel Paterson, on the other hand, rarely reaches page one. Yet she is not without honor. Mr. Rascoe has said that she has "one of the most brilliant minds I have ever encountered." One of her less well-known confreres, Basil Davenport, writing in the *Saturday Review*, described her as "a kind of Goddess of Common Sense. Like one of Mr. Shaw's luminous heroines, Candida or Lady Cicely Waynflete, she contemplates the world with a mild impatience that people can make such a mess of things; but her impatience is never more than mild, for like Marcus Aurelius she knows better than to expect stupid people to act wisely. Only, from time to time, she is moved to make

a criticism of society, with an extraordinary skill that makes her common sense appear positively impish." In a day-dreaming, unspecific manner Mrs. Paterson likes to affiliate herself with the eighteenth century, to imagine herself born out of her period, a lone sane voice in an Age of Unreason. Mr. Davenport's paragraph indicates that others besides herself have been taken in by this pathetic masquerade. Whatever common sense Mrs. Paterson possesses is, unfortunately, closer in spirit to the horse sense of the cowpuncher than to the high rationalism of the eighteenth century. The lust for knowledge which permeated the Age of Anne and the Age of Voltaire has no counterpart in Mrs. Paterson's bosom. On the contrary, as we have pointed out, ignorance is her fetish. She is easily swayed by her emotions. Her criticism is often petty, often spiteful. It is unsystematic and personal. We have seen Mrs. Paterson's views on Thomas Mann. We can again let her speak for herself on criticism in general.

To dispose of this question of literary criticism, we have sometimes thought, and never before found occasion to say it, that "real" literary criticism . . . is only a sublimated form of shop talk. . . . It has no intrinsic interest except to the professional.

We do not think we are a highbrow, because we read solely for entertainment, and have no contempt for the literature of escape and we can't make head or tail of Croce's "Theory of Aesthetic," and for a lot of other reasons which now escape us.

Mrs. Paterson's "criticism of society" to which Mr. Davenport bows, has steadily increased both in volume and sharpness. There is space for only two samples. The first will indicate her point of view. The second would make it appear that economics, as well as history and biography, might better be written as fiction.

Erskine Caldwell . . . writes . . . offering himself as a Communist or something. . . . But after reading his novels, we wonder if he thinks his characters would be quite different people in other circumstances? . . . He gives them neither intelligence nor human emotions; where would they get them then? At a government supply store?

Terence Holliday joins in admiration of Robert Nathan's "One More Spring." . . . That book has more real economic insight than any twenty-five tomes on economics chosen at random out of the last five years' mass output.

Mrs. Paterson's purely literary judgments are also highly individualistic.

An advance copy of Ernest Hemingway's "The Sun Also Rises" had us reading with pop-eyed amazement for a couple of chapters, but after we confirmed the incredible premise of the plot we wondered if, after all, it was anything to write a novel about. . . . We think a sagacious reporter of life, handed this theme as an assignment, would have replied, "No story."

I cannot read Joyce and who cares?

What has never been alive ["The Great Gatsby," by F. Scott Fitzgerald] cannot very well go on living; so this is a book of the season only.

Here, on the other hand, are a few of her positive judgments.

Speaking advisedly and with caution, here we have [in "The Constant Nymph," by Margaret Kennedy] the debut of a talent as brilliant as May Sinclair at her best, and perhaps more versatile. . . . Talent I would call it; not genius, any more than in the case of Miss Sinclair.

To my mind "Andy Brandt's Ark" is the most remarkable of the whole crop of this year's novels [June, 1927].

[Louis Bromfield] suffers from an embarrassment of riches. . . . So he has not yet quite struck off the unforgettable episode, blazed up to the moment of high illumination which genius attains.

[Of "Indeed This Flesh" by Grace Flandrau] Mrs. Flandrau has done her task so well that . . . no one need write of the ordinary man, as such, again . . .

We gathered an informal committee composed of Herschel Brickell and William Soskin and reached an agreement that Grace Flandrau's novel, "Indeed This Flesh," is the best novel of the spring season [1934].

"The Cold Journey" [by Grace Zaring Stone] is the most distinguished novel of 1934.

Herschel Brickell, Mrs. Paterson's fellow-committee-man, though he shares her anti-intellectualism and a number of her tastes, in no way resembles her in character or temperament. He is above all gentle. He likes wholesome novels full of amiable characters. He loves "pure beauty" and finds it—in the novels of Donn Byrne. He patronizes Gide. He patronizes also an innovator like John Dos Passos.

One must grant it ["Manhattan Transfer"] a rough vigor and something of the vitality of our island; much too of its commonness and sheer vulgarity. My own interest in it was chiefly as a literary experiment; it is unlikely to reach a very large audience.

But to Kathleen Norris's autobiography, "Noon," his heart once warmed.

For ourselves we can say we found it a relief from the abnormalities of most current literature—a good deal like a visit in the right sort of American home.

"Little Novels of Nowadays," by Sir Philip Gibbs, affected him similarly.

What we like most about Gibbs is the feeling he gives us of a fine spirit; it is in all that he has written. "Knightly" is the adjective. Perhaps we may risk using another designation, lately fallen into disuse. Sir Philip's attitude toward life . . . is that of a gentleman.

His taste in poetry can be inferred from an old review of an obscure book about trees by one Walter D. Wilcox.

It was natural that we should think of Joyce Kilmer's lovely poem, "Trees," while reading Mr. Wilcox's book, which is by way of being a tribute to both authors. May we quote "Trees"? Even if you know it, you won't mind it again. [He thereupon quoted "Trees."]

Important novels demand from genuine critics new turns of thought, new patterns of prose. In ten years of literary criticism this small but potent group of anti-intellectualists have demonstrated that they prefer to festoon commonplace novels with the old clichés. Now, as ten years ago, novels are "vivid," "robust," or "earthy," or else they are "delicate," "lovely," "poignant." Important works of art remain by contrast virtually unsung; a gullible horde of readers is happily convinced that when these popular judges "can't put down" some second-rate novel, it is therefore literature, and Mr. Rascoe, Mrs. Paterson, and Mr. Brickell, comfortable, established, and widely recognized, seem to furnish their sizable publics demonstrable proof that it's smart to be stupid.

[This is the second of a series of articles. The third will deal with the group of critics who dominate the pages of the Saturday Review of Literature and the New York Times Book Review. It will appear in the issue of November 20.]

Lawrence of England

Seven Pillars of Wisdom. A Triumph. By T. E. Lawrence. Doubleday, Doran and Company. \$5.

THE Lawrence legend has grown so tiresome as to threaten the great fame and even the good name of this book. Since 1930 or thereabouts it has been impossible either to praise or to understand a man about whom so many fantastic stories were told. And now the temptation is strong to dismiss his book as something equally fantastic, equally distasteful to the normal palate.

But the temptation must be resisted—and indeed disappears almost as soon as the reading has been begun. Certainly it is quite gone at the end, when the meeting between Feisal and Allenby stands forth as the final stroke of art in something which has made itself manifest as a work of art all along. "I had had one craving all my life," says Lawrence in his ninety-ninth chapter, and that was "for the power of self-expression in some imaginative form." Doubtless he had wanted to write great novels or great plays; and doubtless he had not dreamed that he would live to write a great history. Yet that was what he did, and that is what we have: a history which is a tragedy, as Thucydides's was, and which is as true to the modern demands of that form as Thucydides's was to the ancient. Lawrence's tragedy is by no means invalidated by the circumstance that he is its hero, or by the circumstance that he was an unspeakably complicated person who lacked the means to understand himself. The whole point lies just there, or almost the whole point; the rest of it consisting in the degree to which he keeps true to those principles of the tragic art which cannot grow old or alter.

He has, for instance, a considered and an important style. Readers of "Revolt in the Desert," which was a carelessly cut version of the book as we now at last have it, were in no position to judge this style, which here reveals and justifies itself as something not only suitable to its matter but high-moving in itself. It is a made style, mixing the archaic and the scriptural with the lean-toothed vernacular, and leaving in the mind a grave and gritty music consonant with the scene. And it is made well, to go with a story which is well made. The meeting between Feisal and Allenby is art because of the relation in which it stands to the previous appearances of those men upon the set stage of Lawrence's Arabia; but so is everything else in a story whose details, however numerous and absorbing they may be in themselves, are always secondary to the proper theme, which is not the Arab revolt but Lawrence himself, the contemplative man become active, the philosopher committed to a cause and therefore drawn inexorably toward catastrophe.

The catastrophe was the thing popularly known as success, and popularly understood as the happy ending to a life well spent. To such a man as Lawrence success was literally a shameful thing, a thing which made oneself suddenly loathsome and desirous of death. His tragic chorus confines itself throughout to this terrible paradox; and nowhere, even at the eloquent end, makes the entire business as clear as we should like to have it. But we shall never have it clearer than this, for Lawrence's book is built somewhere near the center of the modern mind, and the modern mind is not pleased with itself. He took all Europe with him to Arabia—all its doubt and double vision, all its habit of distrusting the best things of which it is capable, all its conviction that heroism died hundreds of weary years ago, all its longing for truth together with its silent disbelief in every truth. He was Lawrence of England, Lawrence of Oxford, bewildered by "the blank light of victory" and dissolved in the very fulfilment of his desire. When he is explained it will be in terms as general

as that, and not, surely, in terms of the "personal motive" to which he alludes in his epilogue. He was intolerably, impossibly complex, and he happened also to be an artist of magnitude. Otherwise he could not have achieved the tragedy which in this volume is intrusted to us for safekeeping.

MARK VAN DOREN

Mr. O'Hara's Talent

Butterfield 8. By John O'Hara. Harcourt, Brace and Company. \$2.50.

THE history of American literature is white with the bones of young writers who, like Mr. O'Hara, relied too much on their bright, fresh talents and refused to think. Mr. O'Hara is much acclaimed for his perception of social minutiae, of the subtle social distinctions drawn by undistinguished people. He ransacks modern life for detail as a historical novelist ransacks folios; he delves into modern folklore; a Brooks suit and a wisecrack are as delightful to him as a Venetian doublet and a gadzooks were to Savonarola Brown. But apart from this, there is a profounder kind of social observation in his books which, were it developed and fortified by intelligence, might make him an impressive novelist.

It is this latter kind of observation which, in "Appointment in Samarra," skirts—but only skirts—the statement of the forces which made Julian English a braggart and a bully and young Mrs. English a treacherous strumpet for all her niceness and tweeds. But "Appointment in Samarra" was not the book it should have been: it was written on inspiration and instinct, was seemingly untouched by thought, and was muddled and unresolved. It was a book about society and Mr. O'Hara tried to make his readers think it was about Kismet.

"Butterfield 8," filled with a great deal of social perception, some merely alert, some very revealing, is even farther from success. Its plot is either pointless or puerile, bearing a burden of social thought about equivalent to that borne by Walter Winchell's column. Mr. Winchell, like Mr. O'Hara, is alert to society and is on the side of the angels, respecting the home, the family, and chastity—but Mr. Winchell can afford so light a burden as this. Mr. O'Hara cannot. After all, he is the writer who, in the midst of much that is merely bright, gives us the portrait of a man, a class, and a society in these few lines:

He did not know how to use a slide rule, but he knew enough to call it a slip-stick. He could not use a transit, but among engineers he could talk about "running the gun." Instead of handwriting he always used the Reinhard style of lettering, the slanting style of printing which is the first thing engineers learn. He would disclaim any real knowledge of engineering, frankly and sometimes a little sadly, but this had a disarming effect upon real engineers: they would think here is a guy who is just like a kid the way he wants to be an engineer and he might have made a good one. The superficial touches which he affected . . . made him a good fellow among engineers. . . . They liked him and did little things for him which they would not have done for another engineer: he was a non-competing brother.

It is not enough for a man with this power of perception to produce an ill-formed book in very efficient prose about a nice girl who is sexually corrupted in her childhood and seduced in her teens, who learns to practice every kind of perversity, and who, when she suddenly desires monogamy and purity, discovers that, even to the men who love her, her past makes her repulsive, and who therefore dies. A writer who sees as much as Mr. O'Hara sees must see more or mean nothing.

LIONEL TRILLING

The Life of Dwight Morrow

Dwight Morrow. By Harold Nicolson. Harcourt, Brace and Company. \$3.75.

SOME readers will enjoy Mr. Nicolson's admirable biography for the story it tells of effort crowned by success. Horatio Alger himself could not have imagined better. Luck played small part in the steady advance of the bright schoolboy of Allegheny, the penurious youth at Amherst, the debt-burdened law student at Columbia, to the status, first, of corporation lawyer, then of partner in J. P. Morgan's, then diplomat and Senator. Moreover, the curve of Dwight Morrow's career was such that, if it had not been cut short when he was only fifty-eight, it might have carried him one day to the Presidency of the United States.

Some, again, will be more interested in the account of Mr. Morrow's achievements in business and politics. He reorganized corporations. He helped to finance the Allies in the World War. He distinguished himself as a member of the Allied maritime transport council. In the days of President Harding he probably saved Cuba from American intervention. President Coolidge, his old Amherst classmate, asked him to become Ambassador to Mexico. He went to Mexico and gained the Mexicans' affectionate admiration. More use might have been made of his gifts had not the politicians been a little afraid of his Morgan connections. However, President Hoover appointed him a delegate to the badly complicated London Naval Disarmament Conference. His skill as a negotiator and conciliator kept that conference from complete collapse.

Still others will delight in Mr. Nicolson's charming character portrait. Dwight Morrow, for all his eminence in banking and statecraft, was a whimsical, lovable personality. His daughters teased him with impunity, and he teased them. His characteristic expression, as his wife said, was one of "creative benignity." Always eager and public-spirited, he never took himself too seriously. Not seeking money, he yet became wealthy. He spent this wealth upon others. For himself he bought books. All his life his hair stood on end, his clothes somehow never looked pressed, and his absent-mindedness was proverbial.

But after all, the remarkable thing about Dwight Morrow was his mind. Given a problem, he would first get books and papers together and painstakingly study all the facts and the history of the facts. Then he would consult others. He would talk to experts. Concentrating, he would strip away essentials, and "twist the gimlet of his inquiry toward first principles." Suddenly he would have an idea for a solution. Immediately he would push it away from him, examine it critically, turn it in every light. Only if it met this patient test would he retain it. His next step was to put himself sympathetically in the place of his opponents, to reexamine the entire question from their point of view, not content until he felt able to state their case better than they could themselves. And now again, his solution: could his opponents reasonably accept it? Was it fair and just to them? For a hard bargain, he would say, is always a bad bargain. If, after all this effort to be fair and considerate, his exceptional powers of tact, logic, and persuasion could not effect a full agreement, he would patiently seek a partial agreement. Most good things come gradually. It is better to go a little way in the right direction than a long way in the wrong. "The attainable," he would say, "is always preferable to the unattainable." And finally, when a solution had been reached, he never sought credit for it. His interest was in getting things done. "The credit does not count," he would say; "it is the durable results in which real men are interested."

By these means, in this manner, excellently analyzed by Mr. Nicolson, Dwight Morrow gained the respect and admiration of all who knew him.

PAUL SCOTT MOWBR

"The Key to Communism"

Communism in the United States. By Earl Browder. International Publishers. \$2.

THE section of the population for whom presumably this volume was published is hungry for information about the principles and policies of communism. It is a great pity, therefore, that the Communist Party permitted its general secretary to gather together his speeches, reports, and official pronouncements and offer them here as "the key to an understanding of communism in the United States." The reader who turns to these pages for the information and enlightenment which they promise will come away bewildered and confused. He will find positions taken on one page changed on another, and he will know from his reading of the newspapers that the Communist International at its recent Congress has repudiated or reversed the stand expounded by the author on nearly every major issue.

The book begins with an analysis of the New Deal. "All these domestic policies," it declares, "are identical in their content with the measures of professed fascist governments. . . . The policies of the government at Washington have one purpose . . . to establish fascism at home. . . . The Socialist Party supports every particular policy of the New Deal . . ."

On the author's return to the United States after attending the sessions of the Communist International, he found, according to his own statement, that the fascists were no longer the government at Washington but its opponents. "All the bloc being gathered against Roosevelt," he told the press, "is headed toward fascism. . . . He is not a fascist but if he doesn't oppose it the fascists will eat him up."

The reader who returns to the "key to Communism" to see if it will unlock the identity of some of the fascist enemies who are threatening to eat Roosevelt up is rewarded with this: "In the labor section of the New Deal are to be seen the clearest examples of the tendencies toward fascism. It is the American brother to Mussolini's 'corporate state,' with state-controlled labor unions closely tied up with and under the direction of employers. Here we have the sharpest example of the role of the Socialist Party and the trade-union bureaucracy, the role of social fascism as the bearer among the masses of the program of fascism." But the reader quickly remembers that this was written before the executive committee of the Comintern condemned this attitude, declaring "a great mistake was [that] . . . fascism was seen where it did not exist."

The logic of the position taken in this book led inevitably to the rejection of united action by the Communist and Socialist Party leaderships. "No," declares the author, "it is clear unity behind these gentlemen [Socialist leaders] means a surrender to capitalist attacks. . . . We need a united fighting front against the capitalists. . . . But that means that unity must be built up, not with these leaders on their present policies, but against them. That means not a united front from on top, but a united front built up by the workers from below. . . ." In plain language, this meant that the only way in which the Communist Party would engage in united action with the Socialists would be to break up their organizations and assume the leadership of their former members. But that, too, was before the Congress of the Comintern, before Georgi Dimitroff asked in his keynote speech: "Is it not clear that joint action by the adherents of the parties and organizations of the two Internationals, the Communist and the Second International, would

facilitate the repulse by the masses of the fascist onslaught, and would enhance the political importance of the working class?"

It would be easy, though not particularly profitable, to continue to cite party policies and show how they were reversed by the International Congress. It would be easy, too, to show how item after item of the party program failed and had to be abandoned even before the International Congress. Thus while Browder boasts on page 181 that the red unions with but "5 per cent of the volume of membership of the A. F. of L. . . . directly led 20 per cent of all strikers and indirectly influenced in a decisive manner more than half the struggles of the A. F. of L.," he confesses on page 196 that it was necessary "to shift main emphasis to work inside the A. F. of L." and to abandon one after another of the red unions. One page 179 it is the purpose of the A. F. of L. "to control and eventually choke off the strike movement," while three pages farther on "the reformist United Mine Workers' Union (A. F. of L.) swept through the field with a broad recruitment campaign, and our red union members (without even consulting us) went along with the masses and together with them organized the strike movement."

There is a great deal in this volume to which the party still adheres on paper but which, if it is to keep in tune with reality, it must also modify or abandon. Chief among such issues is the Negro question, which the party still speaks of solving through "self-determination of the black belt." Well-informed travelers from Moscow declare that the policy is already slated for the same wastebasket as the red unions.

The International has shown the ability to abandon its untenable positions, even though it did maintain them far beyond the time when some of the most intelligent Communists in the world insistently showed the necessity for their repudiation. The movement would do itself a great service if it prevented the publication of books tending to perpetuate a confusion which has proved so disastrous to itself and to the world.

STERLING D. SPERO

Drama Run of the Mill

FROM its title on, J. B. Priestley's "Eden End" (Masque Theater) is the sort of thing which the English seem fonder of than we usually are—a story of provincial family life told with quiet, slightly sentimental realism. By now Mr. Priestley's defects as well as his virtues are pretty well known and the new play holds no surprises. His greatest strength is his ability to sketch in broad, superficial strokes slightly eccentric characters very much like those favored by the Victorian novelists whom he so much admires. His greatest defect is not his penchant for a kind of hearts-of-oak sentiment—which may be pleasant enough in its mild way—but a certain aggressive commonplaceness of thought which he insists upon parading. "Eden End" exhibits both his virtues and his vices in characteristic manner. The easy-going actor, Jack Appleby, hero of a score of provincial tours and proud of his ability to find an evening of good fun in the pubs of the most god-forsaken community, is an entertaining caricature. The provincial doctor, though a familiar enough personage, is also pleasantly sketched. But when one of the characters remarks, for example, that life is like that, "it can't go on without hurting somebody," the observation is not inserted primarily because it happens to be in character. Mr. Priestley expects—and from many doubtless gets—an appreciative mur-

□ JOSEPH WOOD KRUTCH says □

At Home Abroad. Winter Garden. Beatrice Lillie in a very handsome offering with Ethel Waters and various others. Best of this year's song and dance parties.

Crime Marches On. Morosco Theater. Reviewed this week.

Eden End. Masque Theater. Reviewed this week.

Jubilee. Imperial Theater. Reviewed this week.

Night of January 16. Ambassador. High doings in a courtroom with a jury drawn from the audience. Fair example of the genre which *Variety* now calls a "Whodunit."

Porgy & Bess. Alvin Theater. Operatic version of the well-known play with the score by Gershwin. Lavish production supervised by Mamoulian. One of the big hits of the year but to me less effective than anything so elaborate ought to be.

Remember The Day. National Theater. Touching and entertaining story of a boy who fell in love with his teacher. Unusually well acted and with enough humor to give it edge.

Squaring The Circle. Lyceum Theater. Slapstick satiric farce which has been tremendously popular in Russia. Plenty of fun and ending with an ironic conclusion.

Winterset. Martin Beck Theater. "Winterset" seems to me bold, original and engrossing.

The Epic Plan Discussed in an Exciting Debate

Mr. Sinclair's only appearance in New York.

UPTON SINCLAIR vs. NORMAN THOMAS

Chairman: Roger Baldwin

Mecca Temple, Sunday Eve., Nov. 17, 8 P. M.

Tickets 55c, 83c, \$1.10, \$1.65. Socialist Call, Rand School, Workers Bookshop, Columbia Bookstore, New York Forum, 59 E. 10th Street, N. Y. C.

"Production for Use—Can It be Established under Capitalism?"

SANCTIONS

Are Sanctions a talisman to open the way to the Temple of Peace or a battle cry of nations that selfishly seek an excuse for a universal War?

The Manchester Guardian Weekly

gives you an uncolored view of the disturbing situation in Europe which the aggression of Italy has thrust on a peace-hungry world.

It is a storehouse of information on international politics, European trends of thought, current English literature, and cultural developments the world over.

Intelligent persons in 64 countries depend on The Manchester Guardian Weekly to keep them furnished with reliable information on all important world happenings and to keep their viewpoint on vital affairs clear and unprejudiced.

MAIL THIS COUPON

The Manchester Guardian Weekly,
224 West 42nd Street,
New York City.

Gentlemen:

Enclosed please find \$3.00 for which send THE MANCHESTER GUARDIAN WEEKLY for one year from England to the address below.

Name _____

Address _____

When writing to advertisers please mention The Nation

mur of "How true that is!" The judicious, if they do not grieve, are at least a bit embarrassed by a simplicity of mind which enables the author to emerge from a period of cogitation with such a contribution to wisdom. Mr. Priestley's repeated declaration that "life is strange" tempts one to reply with the well-known but crushing question, "By comparison with what?" As for the story, it is concerned with the return to the family circle of a run-away daughter who decides in the end that she had better not disillusion her father, who has been consoling himself with the thought that her rather dismal career has been a series of glamorous triumphs—life of the sort he gave up when he retired to the safety of the country instead of looking for fame in London. The English cast knows its business.

In the clear if not elegant phraseology of *Variety* only the musical shows (including "Porgy and Bess") are so far "in the big money." "Jubilee" (Imperial Theater) now joins "At Home Abroad" in this pleasant category of big successes and, like its predecessor, earns its position. If the full truth must be told, neither Cole Porter's lyrics nor his music are quite as dashing as they were in "Anything Goes," but both are decidedly pleasant in a very suave, very "smart" fashion. Mary Boland is funny as the queen who uses the opportunity provided by a period of freedom to strike up a long-desired acquaintance with a movie actor who plays wild men and is not too heavily disguised under the name of Charles Rasmiller. Melville Cooper is also funny as the king with a hardly suppressed passion for parlor tricks, and the rest of the all too democratic royal family acquit themselves well. For good measure there is the blond and smiling June Knight, who is pleasant to look at and not unpleasant to hear. All in all, "Jubilee" provides the kind of entertainment it sets out to provide, and like "At Home Abroad" its décor is not only splendid but in unusually good taste.

Like one or two previous plays about radio, "Crime Marches On" (Morosco Theater) is considerably more noisy, extravagant, and generally goofy than the institution it satirizes. The story of a rustic poet who is lured to New York for a soap program, who dreams a wild fantasia in the course of which he is compelled to poetize a weekly Crime of the Hour, and who finally wakes to find his employers actually ready to embark upon that very thing, would seem rather confusing in synopsis. On the stage it is even more so.

JOSEPH WOOD KRUTCH

Films

Nature and Artifice

ONE thing the movies can do, though in the long run it is not the best thing they do, is to catch nature napping and let us see the inscrutable smile which sleeps on her featureless face. A better thing for any art to do, of course, is to put a meaning there; but the peculiar advantage of the camera is that when it has no meaning to promote it can at least arrest our eyes with a glimpse of what must be fascinating because it is so indisputably actual. Most of the credit for whatever success is achieved by "La Maternelle," the French film which recently had its American première at the Fifty-fifth Street Playhouse, goes to the forty or fifty children who play an essential role without seeming to be aware that they are playing at all. This is not to deny that the directors, Jean Benoit-Levy and Marie Epstein, acted wisely in keeping the children unconscious of what they did, or that they put immediately to shame every Hollywood director who has

exploited some child wonder; but it is to insist that the triumph was at the best negative. The children, from Marie down to little Fondant, are irresistibly interesting and indeed quite crushingly credible; the result of this hour or two with them being the impression that one has been, for better or for worse, in the company of all the children in the world. What such an experience would mean I do not know; nor does the picture tell, its chief business being to offer the experience raw.

M. Benoit-Levy, to be sure, was present at the première to suggest that there was a meaning and to prove thereby that his picture was a work of art. But his remarks about the importance of human kindness were sentimental and unconvincing. Misery will always exist, he said, and yet there will always be pity to mitigate it—and he pointed to Rose, the adult heroine of the film, as a significant embodiment of the unspoiled human heart. The restrained and rather trancelike acting of Madeleine Renaud as Rose, however, did not balance the primitive force of all these nameless juveniles among whom she moved like an angel. The idea behind her direction was inadequate to the material—poor children of Paris—which she was supposed to transform; and the addition of a love story involving her and the director of "la maternelle" was far from helping out. Ezra Pound once wrote a memorable line about "the sturdy unkillable infants of the very poor." The picture magnificently annotates that line—and fails, in spite of M. Benoit-Levy's sweet intentions, to do anything more.

Another French film, René Clair's "Le Dernier Millionnaire" (Cinéma de Paris), has so little plain nature in it that it must stand or fall according as it becomes interesting for its idea. For me it falls, not because its idea seems to be that the world is a silly place, but because it is everywhere silly in itself. René Clair was being groomed several years ago as a cinema satirist, and the late Harry Alan Potamkin expected something important from him if he ever managed to do a little thinking. It looks now as if he had grown incapable of thought; for the mythical kingdom of Casinario which he creates—or copies from Monte Carlo of all places—in order to say something about the depression and the world order says next to nothing at all. Casinario does not for a moment represent Europe, nor do the antics of its population succeed in reminding us of anything better than Graustark. The capers of the Queen, the Princess, and the Last Millionaire who is imported to keep Casinario solvent, are cut to no end which is visible or worth trying to make visible. Where all is movement there is nothing that looks like progress; there is only the whirr and flutter of celluloid.

"Red Army Days" (Cameo) is the only worthless Russian film I have ever seen. The Red Army tanks that maneuver through it have all the merit which inanimate objects are capable of having in newsreels, but after them comes merely a very sorry and infantile attempt to tell a love story in what was once the Hollywood manner, or in what the misguided directors, A. Zharky and Joseph Heifitz, conceive that manner to have been. What it now is seems all at once by comparison fresh and strong, and under cover of the comparison such a picture as Hecht and MacArthur's "Barbary Coast" comes off pretty well. The story of how a bad woman (Miriam Hopkins) is made by a Shelley-reading poet (Joel McCrea) to realize how good she can be in spite of the fact that a villain (Edward G. Robinson) has her in his Mexican grip is foolish beyond the need of proof. Why is it, by the way, that these poets never nourish themselves on someone earlier or later or better than Shelley? But San Francisco in the Gold Rush days, and particularly its waterfront, is presented with considerable vigor and with something of that imagination which is never wholly lacking from the Hecht-MacArthur product.

MARK VAN DOREN

that the
n, from
eresting
hour or
n, for bett
n the worl
know; n
r the exp

the premi
thereby th
s about th
and uncon
et there w
se, the adu
of the un
r trancelik
not balanc
mong whom
irection wa
—which sh
a love stor
as far from
e line abou
The pictur
pite of M
ore.

ier Millian
ature in
s interestin
seems to be
everywhere
everal year
n Potamkin
managed to
own incapab
io which he
es—in order
world order
r a moment
tion success
stark. The
Millionaire
t to no end
Where all
gress; there

less Russian
t maneuvers
objects are
omes merely
ory in what
e misguided
that manner
comparison
ison such a
ast" comes
n (Miriam
l McCrea)
fact that a
ican grip is
y the way
eone earlier
cisco in the
is presented
imagination
MacArthur
N DOREN